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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

'New Issues' in Nuclear Disarmament, Strategies

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in Chinese No. 3, 13 Jul 92 p 42-47

[Article by Li Weiguo (2621 5898 0948): "New Issues in the Readjustment of Nuclear Strategies and Nuclear Disarmament"]

[Text] The environment for nuclear strategies has undergone enormous changes in the wake of the complete breakup of the bipolar world. These changes have found expression in these aspects: U.S.-Soviet nuclear confrontation has, by and large, come to an end; the process of nuclear disarmament is picking up speed; nuclear weapons programs are slowing down; and nuclear proliferation has intensified. All nuclear countries have intensified the readjustment of their nuclear strategies, based on their views about the state of their security and international status. Certain noteworthy issues have appeared in the sphere of nuclear disarmament—issues such as unilateral nuclear disarmament, multilateral nuclear relations, and the prohibition of nuclear tests. The prevention of nuclear proliferation remains the most urgent task to be dealt with today.

1. Changes in the Environment for Nuclear Strategies After the Cold War

Generally speaking, changes in the environment for nuclear strategies can primarily be observed in the conclusion of U.S.-Soviet nuclear confrontation; and while the process of nuclear disarmament has accelerated and nuclear weapons programs are slowing down, the world faces the danger of exacerbating nuclear proliferation.

(1) **The end of U.S.-Soviet nuclear confrontation.** Ever since the start of U.S.-Soviet nuclear confrontation in the 1950's, the two countries always maintained a high profile of using nuclear weapons as deterrence. With the signing of the "Treaty on Intermediate Nuclear Forces" in the late 1980's and the "Treaty on Reducing Strategic Weapons" on 31 July last year, the level of the two countries' nuclear confrontation subsided. After the "19 August" incident, dramatic changes occurred in the Soviet Union, and the country was no longer a military adversary of the West. As a result of the disintegration of the Soviet Union late last year, the world's bipolar pattern also completely disintegrated. Both Gorbachev and Yeltsin responded positively to the unilateral disarmament proposals which President Bush set forth on 27 September last year and on 28 January this year. The United States and the Soviet Union (Russia) also reduced the level of their alertness. On 22 February, Yeltsin declared that the Commonwealth of Independent States' nuclear weapons targeted at the West would be on "zero alert." The United States also changed its strategic priorities to dealing with contingencies in major areas. On 1 February, the American and Russian Presidents declared that U.S.-Russian relations would be

characterized by "friendship and partnership" in their Camp David statement. This shows that the bipolar nuclear confrontation no longer exists. Nevertheless, the West is still on guard against the former states of the Soviet Union, especially Russia; and this is why the United States, Britain, and France have yet to pledge publicly to change the nuclear objectives meant for the former Soviet Union.

(2) **The process of nuclear disarmament has accelerated.** Following the drastic changes in the Soviet Union and its disintegration, the process of nuclear disarmament has accelerated. On 23 May, the United States, Russia, Ukraine, Byelorussia, and Kazakhstan signed a protocol to reaffirm the validity of the treaty on reducing nuclear weapons signed by the Presidents of the United States and the former Soviet Union in Moscow last year. The protocol did not revise any provisions in the treaty which provides that, within seven years after the treaty has become effective, all signatories shall reduce their strategic nuclear weapons by one-third. President Bush declared on 27 September last year, that the United States would take the initiative to reduce its short-range and strategic nuclear weapons, and he also urged the Soviet Union to take corresponding steps. The U.S. initiative received a positive response from all parts of the world. Britain announced that it would support the U.S. initiative by reducing its short-range and strategic nuclear weapons. France announced that it would cut its planned output of the short-range nuclear missile, the Hades, from 120 to 30, and that these missiles would be kept in storage and not deployed as planned. The Soviet Union announced that it would take seven "corresponding steps" to reciprocate the U.S. initiative. Not only did it totally accept the U.S. initiative, but it also put forward a plan for reducing more nuclear weapons than the U.S. would reduce. Under such circumstances, NATO defense ministers decided on 17 October to cut 80 percent of NATO's tactical nuclear weapons deployed in Europe. President Bush, in his State of the Union address on 28 January this year, again set forth a new unilateral nuclear disarmament plan to make another substantial cut in the United States' strategic nuclear weapons. This new plan involved land- and sea-based and plane-carried strategic nuclear weapons. The next day, Russian President Yeltsin responded positively to Bush's unilateral nuclear disarmament plan, and announced that Russia would substantially reduce its strategic nuclear weapons. Then, the two countries promptly consulted with one another on this issue and planned to sign a new accord when Yeltsin visited the United States this summer.

Regionally speaking, nuclear weapons deployed in Europe are to be cut most substantially since most of the U.S. and Soviet (Russian) short-range and tactical nuclear weapons are there. This reflects the enormous changes that have taken place in the state of European security in recent years. Regarding the types of nuclear weapons subject to reduction, they cover almost all types of U.S. and Russian nuclear weapons, including submarine-launched missiles and other types that the United

States was unwilling to cut. This has laid a very good foundation for the United States and Russia to further cut their nuclear weapons.

(3) Nuclear weapons programs have slowed down. Nuclear countries such as the United States and Russia have not abandoned their nuclear weapons modernization programs; however, compared with the past, the quantities have been reduced, the size of the programs has been reduced, and the speed has slowed down. As early as 1990, the United States had already scrapped the plan to modernize its short-range and tactical nuclear weapons. It declared last year that it would halt the development of the mobile MX intercontinental ballistic missiles and the Midgetman, a small ICBM. This year, the United States has again reduced the purchase of B-2 strategic bombers from 75 to 20, and it will halt production of some advanced nuclear weapons. In his 1993 defense budget, President Bush calls for suspending the production of B-2 strategic bombers, Seawolf nuclear submarines, and nuclear warheads. According to U.S. media, the United States will freeze the production of nearly all newly designed weapons. The United States has also revised and reduced the size of its Strategic Defense Initiative [SDI]. On the part of the Soviet Union, it declared last year that it would stop the development of small mobile ICBM's and would not increase the number of, or improve, its mobile, rail-based ICBM's. Furthermore, the Russian parliament, in a retrenchment budget approved in late January 1992, reduced this year's budget for purchasing weapons to less than one-seventh of that of 1991. This has compelled Russia to postpone or even halt its programs of improving and developing certain nuclear weapons. When Yeltsin visited France in early February 1992, France also had slowed some of its nuclear development plans.

The deceleration of nuclear weapons modernization programs and the acceleration of nuclear disarmament influence and enhance one another. On the one hand, the acceleration of nuclear disarmament has directly decelerated the process of nuclear weapons modernization programs; on the other hand, the deceleration or the scrapping of certain nuclear development plans has created a counteraction that can expedite the process of nuclear disarmament. In this sense, shrinking the modernization plans for nuclear weapons or imposing a moratorium on these plans or scrapping some parts of these plans are important aspects of nuclear disarmament.

(4) Nuclear proliferation intensifies. Nuclear proliferation is now an issue that has caught worldwide attention. The fact that an increasing number of countries want to own nuclear weapons shows the demand of nuclear proliferation. With the bipolar pattern disintegrated, the world has become increasingly multipolarized, and the previous regional conflicts triggered by U.S.-Soviet rivalry have been settled or nearly settled. This, however, has created a new vacuum of strength. This situation and the rise of nationalism, religious forces, and regional

powers have created certain factors that lead to instability, and some countries' sense of insecurity has heightened. In their search for national security, many countries may opt for nuclear weapons as their means of deterrence, because weak countries can use a small quantity of nuclear weapons to deter military interference from much more powerful countries. Besides, the technology needed for the development of nuclear weapons is much lower and much cheaper than what is needed for the development of certain advanced conventional weapons systems, and the networks that have to be established to track down targets are also much more simple. Therefore, as far as these countries are concerned, ownership of nuclear weapons may be very appealing. For regional powers, the ownership of nuclear weapons can also elevate their status in their own regions. According to an estimate made by U.S. Defense Secretary Cheney, by the end of this century, 15-20 countries in unstable regions might have nuclear capabilities, and some of them will possess nuclear weapons.

As for the supply of nuclear weapons, the international community has pinpointed the main source of nuclear proliferation to the former Soviet Union. First, the dissolution of the Soviet Union has transformed one nuclear power into four nuclear countries. In the West, it is even believed that this transformation is in itself a matter of nuclear proliferation. Previously, there were only five permanent members of the Security Council, each of whom acknowledged the possession of nuclear weapons. Now there are eight countries that have made that acknowledgment—in the order of the amount of nuclear weapons they possess: the United States, Russia, Ukraine, Kazakhstan, Britain, France, Byelarus, and China. Second, there have been indications of control being lost over the former Soviet Union's nuclear weaponry systems; facilities, technology, and materials for making nuclear weapons; and nuclear scientists. Therefore, the prevention of nuclear proliferation is a pressing and serious issue.

2. Readjustment of the Nuclear Strategies of Big Countries

The great change in the international security environment has prompted all nuclear countries to step up efforts to readjust their national security strategies in light of their own security environment and international status as they perceive them. Nuclear strategy, as an important component of security strategy, is bound to be readjusted accordingly, except that the objective, content, scope, and speed of the readjustment are different in each country.

With the disintegration of the Soviet Union, one nuclear superpower has turned into four nuclear countries, which rank second, third, fourth, and seventh in the world in terms of the amount of nuclear weapons they possess. The question of who should inherit and control the nuclear legacy left over from the former Soviet Union or the crucial issue of who could press the nuclear

button has drawn worldwide attention. Through consultations, Ukraine, Byelorussia, and Kazakhstan have agreed to turn the nuclear button over to Russian President Yeltsin on condition that he consult with the other three presidents when using the button.

Soon afterwards, the CIS, headed by Russia, accelerated the pace of readjusting its nuclear strategy. Judging from the current situation, the readjustment has been carried out in the following aspects: First, it has abandoned the two targets of waging a nuclear war and aiming its nuclear weapons against the United States and its Western allies. Second, it has set up two goals: the so-called "four in one" and the effect of minimum nuclear deterrent. The former refers to the goal of turning Ukraine, Byelorussia, and Kazakhstan into nuclear-free countries while allowing Russia to keep nuclear weapons; the latter refers to the proportionate and gradual reduction of nuclear weapons to the minimum amount for effecting deterrence, or to 2,000-2,500 nuclear warheads. Third, it has adopted the specific measures of lowering nuclear war preparedness to zero alert, drastically reducing nuclear weapons, curbing nuclear tests (for one year), partially halting the deployment of nuclear weapons, halting or reducing the production of certain nuclear weapons and materials, and partly halting the plan for developing nuclear weapons. If the CIS can realize its readjusted nuclear strategy, we will see a nuclear force with the following manifestations: 1) Ground nuclear weapons will exist only in Russia; 2) Nuclear targets will no longer be aimed at the Western countries; 3) The amount of nuclear weapons will be drastically reduced; 4) The nuclear force will be restricted to defensive purpose. This will completely change the former Soviet Union's nuclear strategy and exert a significant influence on the world.

However, the CIS's effort to readjust the nuclear strategy has been hampered by certain circles from within. 1) Disputes and differences of opinion between Ukraine and Russia may deflate the goal of "four in one"; 2) Instability within the CIS has brought about a number of destabilizing factors in readjusting the nuclear strategy; 3) The issue of nuclear proliferation remains rather serious as seen from recent reports on smuggling and losing of control over nuclear weapons. Therefore, it remains to be seen whether readjustment of the nuclear strategy can proceed smoothly.

The U.S. readjustment of nuclear strategy is of a progressive nature. Its past nuclear strategy was directed against the Soviet Union. Now that the cold war has ended and the Soviet Union has disintegrated, the United States has thus changed its views on the Soviet threat—turning from a major actual threat into a latent one. After the disintegration of the Soviet Union, the United States not only has stopped treating it as an antagonist but has set up new "partnership" relations with Russia. No country in the world currently can pose a significant and actual threat to U.S. interests, but the United States believes that some uncertain latent threats still exist. 1) The

United States is worried about contingencies in important areas of the Third World countries, particularly the intermingling of Islamic fundamentalism with nuclear proliferation. 2) The United States actually still regards Russia as a latent enemy state because of the internal instability within the CIS and especially because the centralization of political power may recur in Russia. Among the seven future hypothetical conflicts set by the United States recently, two of them are from Russia and others are from the Persian Gulf, the Korean peninsula, the Philippines, and Panama. 3) To maintain its position as the sole superpower in the world, the United States even sees its own Western allies as "latent antagonists." For this reason, the United States Department of Defense has called for guarding against Germany and Japan, who may become "global competitors" contending with the United States.

The United States views on threats directly affect the readjustment of its national security and military strategies. Regarding readjustment of nuclear strategy, the United States has readjusted its selection of nuclear targets, state of alert, procedure of operations, and types and amounts of nuclear weapons without discarding its global nuclear deterrence and its structure of strategic forces—the "three in one" of Army, Navy, and Air Force. 1) The United States has given up the nuclear strategy and policy of waging a large-scale nuclear war against the Soviet Union and of a world war and has shifted part of its nuclear targets to turbulent areas in countries of the Third World, countries with few nuclear weapons, and countries on the nuclear threshold. It is thus clear that the pluralization of nuclear targets has become a new aspect of U.S. nuclear strategy. 2) In view of the changed security environment, the United States believes that it is necessary to accelerate the pace of nuclear disarmament. To this end, Bush has twice put forward proposals of unilateral nuclear disarmament. Nuclear disarmament involves types and amounts of nuclear weapons. In this aspect, the United States stresses the flexibility and survivability of nuclear power and the preservation of its global deterrent force. 3) To maintain its "world leadership," the United States has attempted to gain nuclear superiority. If we say that last year's U.S.-Soviet Strategic Arms Reduction Treaty shows the balance of nuclear power sliding to the United States, then it is right to say that the United States is actually seeking nuclear superiority after the disintegration of the Soviet Union. Provided the CIS approves the bilateral nonreciprocal reduction of nuclear weapons, the United States will be assured of its nuclear superiority. In terms of the U.S.-proposed amount of nuclear weapons to be preserved, the number is more than that of the Russian-proposed 2,000-2,500 warheads and those of Great Britain, France, and China combined. This is because that the future nuclear power of the countries on the nuclear threshold is considered. In terms of the types of nuclear weapons to be reduced, the United States has asked Russia to destroy the nucleus of its strategic nuclear power—the state-of-the-art land-based multiple warhead missiles—whereas the United

States preserves a substantial amount of submarine-launched multiple warhead missiles. 4) The United States has set the work of ensuring nuclear stability and preventing nuclear proliferation as the focal point of its nuclear strategy. 5) The United States has readjusted the scale of its strategic defense program and set up a global defensive and limited attack system aiming at a limited missile attack from Third World countries and unauthorized and accidental launchings of missiles by nuclear countries. In addition, the United States has lowered its level of caution against nuclear weapons and has made some significant readjustments to matters concerning giving up or scaling down nuclear weapon research projects.

NATO is also reworking its nuclear strategy. The quick-response aspect of its original "three-in-one" military strategy is centered on making nuclear weapons the indispensable components of a strategic deterrent and on using them to deter so-called Soviet invasions (NATO's "three-in-one" military strategy is composed of nuclear, quick-response, and forward deployment components. These components are considered an organic whole, and none of them is dispensable). This is to say that the strategy does not exclude the possibility of nuclear first strikes against Soviet offensives. In July 1990, NATO revised its policy on using nuclear weapons by making them the weapons of last resort against invaders. The move greatly altered the quick-response strategy. Meanwhile, NATO's strategy has actually further diminished the role of nuclear weapons, despite pronouncements on maintaining the strategy of nuclear deterrence. Tactical nuclear weapons have actually lost their military value in the current European security environment. NATO's nuclear arsenals have shrunk drastically following the elimination of U.S. and Soviet intermediate-range, short-range, and tactical nuclear weapons. Last October, NATO announced its plan to slash 20 percent of its tactical nuclear arsenals. The proportion of nuclear forces in NATO's military strength has decreased. The nuclear umbrella that the United States uses in protecting its nonnuclear allies through NATO has further diminished in the changed international security environment.

The new situation has also compelled Britain and France to reshape their nuclear strategies. 1) The two countries have slowed their nuclear weapons modernization programs despite their assertions of independent nuclear capabilities and their refusal to join the multilateral nuclear disarmament process and to relinquish minimum nuclear deterrent capabilities. 2) They are searching for ways to increase nuclear cooperation and have advanced plans for having their nuclear submarines perform joint precautionary security duties. 3) The British and French nuclear forces can potentially play a role in and exert an influence on the EC. EC Commission President Delors asked: If the EC becomes a powerful political alliance, why is it impossible to transfer nuclear weapons to the command of this political power? Some people maintain that "the road toward European

unity will lead to nuclear integration." As the role of the U.S. nuclear protection umbrella diminishes, a Europe that is pursuing independent defense capabilities may pin its hopes on the nuclear forces of Britain and France.

3. New Issues in Nuclear Disarmament

Efforts by nuclear powers to restructure their nuclear strategies in the current international security situation have given rise to noteworthy new issues in the area of nuclear disarmament.

(1) The issue of unilateral nuclear disarmament. Unilateral actions taken by the United States and the Soviet Union (Russia)—in September and October 1991 and in January 1992—to slash their nuclear arsenals have injected new vitality into the nuclear disarmament process and mark major progress in the area of nuclear disarmament. These actions have the following implications: 1. They have shattered ideological fetters, radically reversed the slow process of nuclear disarmament, stopped the vicious circle, and quickened the nuclear disarmament process. In the words of British Prime Minister Major, President Bush's call for unilateral nuclear disarmament is "significant and imaginative." 2. Unilateral actions imply that one party takes the initiative in gradually inducing the other to take equivalent actions. Evidently, the United States took unilateral disarmament actions in anticipation of equivalent actions from the Soviet Union (Russia). These unilateral actions were not unconditional. Instead of being confined to mere political propaganda, the call for unilateral nuclear disarmament was expected to produce genuine progress if the Soviet Union (Russia) responded in kind. 3. Unilateral and bilateral disarmament initiatives are mutually supplementary. Unilateral initiatives are particularly significant to promoting or resuming talks. After the call for unilateral nuclear disarmament was advanced, the United States and the Soviet Union (Russia) immediately held consultations in preparation for further talks, and they made progress in this respect. Hence, within the framework of the current international strategic structure, mutually supplementary unilateral initiatives and bilateral actions signify the strong possibility of substantial reductions in nuclear weapons among nuclear powers.

(2) The issue on multilateral nuclear relations. During the years when the United States and Soviet Union dominated the world's nuclear undertakings, U.S.-Soviet bilateral nuclear relations occupied a leading and decisive position in all nuclear issues. The status of other countries was secondary and not given importance. Now that the situation has undergone tremendous changes, a multilateral nuclear relations has become increasingly eminent.

1. On 29 January, in a unilateral nuclear disarmament proposal, Yeltsin invited Britain, France, and China to participate in a multilateral nuclear disarmament process. Although the three countries unanimously rejected

the proposal, it should be noted that with the acceleration of the nuclear disarmament process by the United States and the former Soviet Union, the pressure on the three countries will be intensified. There is a possibility for the three to be invited by the U.S. President, or jointly by the United States and the CIS (Russia), to participate in the multilateral nuclear disarmament process. China has always adopted a stand of active promotion of nuclear disarmament. In a working paper submitted to the UN Disarmament Commission on 27 April, China put forward 10 measures and six essential conditions for strengthening the international nuclear disarmament process. These measures include the convention of a broadly representative international conference on nuclear disarmament with the participation of all nuclear states, on condition of the drastic reduction of nuclear weapons by countries with the largest nuclear arsenals.

2. Following the disintegration of the Soviet Union, multilateral nuclear relations have taken shape within the CIS. In recognition of these multilateral nuclear relations, President Bush proposed last October that he would hold talks with Gorbachev and the heads of all the Soviet republics on nuclear disarmament. In February 1992, after the U.S. and Russian foreign ministers announced that they had reached an extensive and unanimous agreement on the further reduction of offensive strategic weapons, Ukrainian President Kravchuk said: Russia has no right to represent the CIS in talks with the United States on the reduction of nuclear weapons. He favored Ukraine, Byelorussia, Kazakhstan, and Russia's holding talks together with the United States and proposed that this be treated as the first phase of multilateral nuclear disarmament talks. The talks would be joined by all nuclear states in a second phase. On 17 May, the Kazakh Foreign Ministry issued a statement saying that Kazakhstan would participate in talks on the reduction of offensive strategic weapons in the capacity of an independent partner. On 23 May, the United States, Russia, Ukraine, Byelorussia, and Kazakhstan signed an agreement in Lisbon affirming the START Treaty. This agreement made the four CIS nations contracting parties to the treaty, thereby converting the bilateral treaty to one that is multilateral. In addition, to prevent the proliferation of the former Soviet Union's nuclear weapons and to ensure the absolute security of these weapons, the United States held talks with these four nations on future elimination of nuclear weapons.

3. Concerning Europe's multilateral nuclear relations, France was the first to propose that Britain, France, the United States, and Russia jointly deliberate on the issue of nuclear security in Europe. The U.S. response was initially indifferent but later became positive. Last October, Bush announced that he was willing to hold talks with the heads of Britain, France, and Russia on the early realization of nuclear disarmament. France is still actively promoting a joint deliberation by the United States, Britain, France, Russia, Byelorussia, and Ukraine on

the issue of nuclear security in Europe, with the emphasis on halting the proliferation of the former Soviet Union's nuclear weapons. Multilateral nuclear relations is thus established in Europe.

4. Pakistan offered to hold talks with the United States, the Soviet Union, China, and India regarding multilateral nuclear relations in South Asia. The talks were proposed to discuss issues pertaining to regional security and the denuclearization of South Asia. Because India was skeptical of Pakistan's proposal, the United States followed it up with a gesture of its own and suggested a five-nation meeting that included itself, China, India, Pakistan, and Russia. To maintain its nuclear option, India refused to join the nuclear nonproliferation regime; instead, it agreed only to bilateral contact with the United States. If India changes its attitude, a "three-plus-two" multilateral nuclear relationship—which comprises a nuclear state and nuclear threshold countries—will develop in South Asia.

(3) **The issue of banning nuclear tests.** The imposition of a complete ban on nuclear testing will gradually become the order of business as the nuclear disarmament process quickens and pressure for imposing such a ban mounts.

1. The CIS favors and endorses a complete ban on nuclear testing. The former Soviet Union unilaterally suspended nuclear testing on three occasions—26 July 1985, 19 October 1989, and 5 October 1991. The first and second suspensions lasted until 26 February 1987 and 24 October 1990, respectively, while the last one will remain in effect until 5 October 1992. The country also urged other nuclear states to follow suit, thereby increasing pressure on the latter.

2. Article 2 of the Limited Nuclear Test Ban Treaty states that if one-third of the signatory countries request amendments to the treaty, a meeting should be held to discuss the matter. By 1989, one-third of the signatory countries were calling for changing the limited ban to a complete prohibition. The signatory countries held a preparatory meeting in June 1990, and they met again in New York in January 1991 to amend the treaty. Objections raised by the United States and Britain prevented the conclusion of any agreement at the meeting. Participants in the meeting subsequently voted for a decision authorizing the chairman to hold consultations aimed at making progress in resuming the meeting's business at an appropriate time. Though temporarily relieving pressure for a complete ban on nuclear testing, this arrangement may lead to a resumption of relevant discussions at any time.

3. Discussions will be held in 1995 to consider renewal of the "Nuclear Nonproliferation Treaty." Failure to solve the problem of banning nuclear testing before then will directly affect the treaty's renewal. Mexico and other nonnuclear signatory countries have tied the treaty's renewal with a complete ban on nuclear testing.

The United States leads the opposition to a complete ban on nuclear testing. It has adamantly refused to stop

nuclear testing, with a view to developing nuclear weapons, ensuring their safety and reliability, and assuring its own survivability. Consequently, it has come under heavy pressure to seek a complete ban on nuclear testing; other nuclear countries are also under varying degrees of pressure. It should be noted that France, which had always adopted an intransigent attitude on the issue of nuclear test bans, announced on 8 April that it would suspend nuclear testing in the Pacific Ocean this year. In his letters to the leaders of various nuclear countries, President Mitterrand suggested the termination of nuclear testing. On 28 April, Yeltsin said that Russia and France would jointly pressure the United States into halting nuclear testing, adding that he would broach the matter during his upcoming trip to the United States.

(4) The problem of preventing nuclear proliferation.

Nuclear proliferation is a phenomenon that runs counter to nuclear disarmament. While joint efforts are made in the international community to eliminate all nuclear weapons in the world, prevention of nuclear proliferation becomes an imperative issue. Presently, the international community is laying stress on strengthening the mechanism of nuclear nonproliferation in preventing nuclear proliferation. 2. It tries to make all nuclear and nonnuclear countries and countries on the nuclear threshold accede to the Nuclear Nonproliferation Treaty, assume corresponding responsibilities and obligations, and accept the International Atomic Energy Agency's system for ensuring security and international nuclear inspections in accordance with the treaty. 2. It supports the establishment of nuclear weapons-free zones in various regions around the world and heightens the security of various countries in relevant regions so they are free from the harm of using or the threat of using nuclear weapons and are less attracted by nuclear weapons. 3. It tries to make all nuclear countries assume the obligation of not being the first to use nuclear weapons and of not using or threatening to use nuclear weapons against nonnuclear countries or nuclear-free zones. 4. It tightens the control of the transfer of conventional weapons, which is of significant importance with the cooperation among great nations—the five permanent nations of the UN Security Council adopted the "Statement on Arms Transfer and Nonproliferation" in Paris in July 1991, the "Norms on the Transfer of Conventional Weapons" in London in October 1991, and the norms on the control of weapons of mass destruction in Washington on 29 May 1991.

Moreover, the West also has paid special attention to the problem of nuclear proliferation emanating from the CIS. About the time of the Soviet Union's disintegration, Baker made two country-wide visits to the Soviet Union with a view to preventing nuclear proliferation. The emergency measures taken by the West against the CIS sources of nuclear proliferation include: 1) Reducing and destroying its nuclear weapons as soon as possible. To this end, President Bush has twice taken the initiative to unilaterally reduce nuclear weapons. The United States

even offered \$400 million to help the former Soviet Union destroy its nuclear weapons. 2) Supporting Russia's so-called "four in one" principle and urging Ukraine, Byelorussia, and Kazakhstan to become nonnuclear countries as soon as possible. 3) Linking political recognition and economic and humanitarian aid with nuclear nonproliferation. 4) Proposing the plan of hiring nuclear scientists from the CIS. The United States, Russia, and Germany on 17 February decided to set up an international science center in Russia that will offer nuclear scientists nonmilitary job opportunities and do everything to prevent them from participating in the proliferation of technologies of nuclear weapons, missiles, and others. The center is set to open in Moscow in June 1992. The United and the European Community have each decided to offer \$25 million in funds; Japan has offered \$20 million; and other Western countries have made offers. In addition, the West also plans to set up a center of this kind in Ukraine.

United States & Canada

Agreement Signed With Boeing on New Jetliners

OW0308224492 Beijing XINHUA in English
2123 GMT 3 Aug 92

[Text] New York, August 3 (XINHUA)—Financial agreements were signed here today for China's largest carrier Air China to obtain a B747-400 plane from Boeing Company of the United States.

The jumbo aircraft, to be delivered on August 6, will be the 99th airplane provided to China by Boeing.

The 100th, a Boeing 757 jetliner, will be delivered to Xiamen Aviation Company in east China on August 12, according to Mathew Chen, international sales director of the Boeing Commercial Airplane Group.

Chen also said Boeing will deliver 24 aircraft to China this year altogether.

Xu Bailing, president of Air China who is here to attend the signing ceremony, said Air China now has a fleet of over 50 top-of-the-line, wide-bodied aircraft, including B747-400, B747-SP, B747-Combi, as well as B767 and B737.

"In the future, we will extend this business (aircraft leasing) to the United States and other European countries," Xu added.

Air China will lease the B747-400 from AC Cayman Ltd, which is financed by the Bank of China and a banking syndicate arranged by Bankers Trust Company of the United States. Lead managers in the syndicate include Bank of Tokyo, Banque Nationale Paris, Dresdner Bank, and Westdeutsche Landesbank.

According to Chen from Boeing, the B747-400 jetliner costs more than 100 million U.S. dollars.

Noted figures attending today's celebration were former U.S. Secretary of State Alexander Haig, Chinese Ambassador to the U.S. Zhu Qizhen, and Mrs. Anna Chennault.

U.S. House Votes To Grant Albania MFN Status
OW0308224392 Beijing XINHUA in English
2214 GMT 3 Aug 92

[Text] Washington, August 3 (XINHUA)—U.S. House of Representatives voted today to grant a most-favored nation (MFN) trading status to Albania.

The bill, passed by the House on a voice vote and sent to the Senate, would authorize the U.S. President to grant the favored trading status to Albania.

The United States and Albania re-established diplomatic relations in 1991, and have signed an agreement clearing the way for trade between the two countries.

Rep. Ben Gilman said, "dramatic changes have taken place (in Albania)" with the democratically elected government building a free market economy.

He said the United States has supported the moves so far, and he warned "we cannot stand back and let that poor nation now face overwhelming challenges without another helping hand. We must stay engaged."

Albania now seeks to operate a free-market economy and open trade with other nations. U.S. officials say the tiny nation needs assistance in the effort because its economy was very weakened.

The United States has granted MFN trading status to all other eastern European nations, allowing their goods to be imported at the lowest tariff to the United States.

U.S. Senate Approves Suspension of Nuclear Tests
OW0408064992 Beijing XINHUA in English
0517 GMT 4 Aug 92

[Text] Washington, August 3 (XINHUA)—The U.S. Senate today approved a nine-month suspension of all underground nuclear tests, followed by no more than 15 explosions in more than three years to determine the safety of the weapons and then a permanent prohibition on testing starting September 30, 1996.

The Senate approved the ban by 68-26 as an amendment to the energy-water development money bill.

Senate Democratic leader George Mitchell said the amendment "reflects post-cold war thinking."

The senator also said that Russian President Boris Yeltsin, under pressure from the military, reportedly has already told them they can resume testing at the end of the year if there is no U.S. response to their moratorium.

U.S. Defense Secretary Richard Cheney sent a letter to the capitol, saying that he "strongly" opposed the proposal and that "as long as we retain a nuclear deterrent; we will have to test for safety and reliability."

Cheney said if the moratorium is approved by the Congress, he will recommend that President George Bush veto the bill.

Specifically, the amendment would suspend any test of a nuclear weapon from the time the bill is signed until July 1, 1993, despite the U.S. Administration's plans for some safety testing in that period.

In the following three-plus years, the administration can undertake, with the concurrence of the congress, a total of 15 tests—no more than five a year—to determine the safety of the weapons.

After September 30, 1996, no underground tests of nuclear weapons can be held.

The U.S. House, in June, approved a one-year suspension of nuclear testing that would be lifted only if the Russians resumed testing.

U.S. Panel Recommends Shutting Down TV Marti
OW0308225192 Beijing XINHUA in English
2156 GMT 3 Aug 92

[Text] Washington, August 3 (XINHUA)—TV Marti, a U.S. Government-run television station based in Florida broadcasting specially to Cuba, was not cost-effective and should be shut down, a U.S. Government advisory commission recommended today.

Tom Korologos, chairman of the U.S. Advisory Commission on Public Diplomacy, said TV Marti's two-hour broadcasts reached few Cuban viewers because of jamming. The program "is simply not cost-effective," he said.

Shutting down the television could save 18 million dollars a year, he said.

The U.S. House voted, with 206-194 last week, to shut down the television, but then reversed itself.

TV Marti, the U.S. Information Agency's program of pre-dawn telecasting to Cuba, began in March 1990, occupying a Cuban domestic broadcasting channel to air U.S. news programs to Cuba.

The Cuban Government has strongly protested the U.S. move, calling it as "air invasion," and jammed the television's broadcasts to Cuba.

Korologos also said Radio Free Europe and Radio Liberty are a waste of money in this post-cold war world and should be phased out.

Radio Free Europe was established in 1949 and Radio Liberty in 1951, specially broadcasting to the Eastern European nations.

"Their goals have been achieved," Korologos said. What was logical during the cold war "doesn't make sense now," he added.

Annual expenditures for Radio Free Europe and Radio Liberty amount to 207 million dollars out of a total U.S. Government broadcasting budget for 1992 of 805 million dollars.

Central Eurasia

Talks With Former Soviet Republics Continue

OW0408083892 Beijing XINHUA in English
0821 GMT 4 Aug 92

[Text] Moscow, August 4 (XINHUA)—The seventh round of talks between China and four former Soviet republics on reducing military presence and building confidence along their common borders ended here today.

The two-week-long talks were held between a Chinese delegation and a joint delegation comprising Russia, Kazakhstan, Kyrgyzstan and Tajikistan, which all share borders with China.

The two sides exchanged views on the contents of relevant agreements and progress was made, sources of the Chinese delegation told XINHUA today.

The two sides agreed that the next round of the talks will be held in Beijing.

Procuratorate Delegation Departs for Russia

OW0308141492 Beijing XINHUA in English
1354 GMT 3 Aug 92

[Text] Beijing, August 3 (XINHUA)—A delegation of Chinese procurators led by Zhang Siqing, deputy chief procurator of the Supreme People's Procuratorate, left here today on a visit to Russia.

Court Hearings on Soviet Communist Party Adjourn

OW0408040792 Beijing XINHUA in English
0235 GMT 4 Aug 92

[Text] Moscow, August 3 (XINHUA)—The Russian Constitutional Court announced today that the hearings on the lawsuit challenging Russian President Boris Yeltsin's decree banning the Soviet Communist Party was adjourned indefinitely.

The representatives of the Soviet Communist Party and of the Russian president did not oppose the decision.

The court today listened to the summary of the speeches made by 65 experts who remain sharply divided over Yeltsin's decree.

About half of them insisted that Yeltsin's decree accorded with the Constitution, because they thought the ban was aimed at safeguarding Russia's sovereignty.

But the others said the ban was illegal, for the party had never been an organization whose existence violated the Constitution. They said the president exceeded the limits of his authority when issuing the decree because up to now Russia had not worked out any principle to stipulate what sort of political parties could exist under the Constitution.

The court opened its first hearing on July 7 and reopened on July 14 after one week adjournment. Both sides maintained their own stands.

The court had to announce the indefinite postponement of the hearings to extricate itself from the dilemma of either declaring the Communist Party illegal in disregard of its rule of more than 70 years or offending President Yeltsin by declaring his decree unconstitutional, observers said.

Northeast Asia

Article Urges Improved Ties With Japan

OW0408024292 Beijing GUOJI WENTI YANJIU
in Chinese No. 3, 13 Jul 92 pp 1-4

[Article by Du Gong (2629 2396), director of the Chinese Institute of International Studies and member of the 21st Century Committee for Chinese-Japanese Friendship: "Earnestly Work for the Brighter Future of Sino-Japanese Friendly Relations"]

[Text] Since the normalization of Sino-Japanese diplomatic relations 20 years ago, friendly cooperation has always been the mainstream of relations between the two countries and has reached a dimension never witnessed before. Developing good-neighborly relations and cooperation between China and Japan not only conforms with the fundamental interests of both countries but is also of great importance to peace and development in the Asian-Pacific region and the rest of the world. In view of the new international situation and looking toward the 21st century, it is necessary for the two countries not only to foster closer bilateral relations but also to jointly make positive contributions toward regional and global issues.

I.

This year is the 20th anniversary of the normalization of Sino-Japanese diplomatic relations. Twenty years ago, thanks to the relentless efforts made by individuals in China and Japan to protect and expand friendly Sino-Japanese relations and the new progress they constantly achieved, far-sighted and sagacious politicians of the two countries made the political decision to normalize diplomatic relations. The joint declaration made at that time summed up the past relationship of the two countries and ended the unfortunate situation of serious confrontation between the two countries that lasted nearly a century. At the same time, it also defined the basic norms guiding relations between the two countries

and laid the foundation for expanding good-neighborly relations and cooperation between China and Japan. Thereafter, it opened a new page in the history of friendly relations between the two countries.

In the past 20 years, after the peace and friendship treaty was concluded, leaders and important figures from various circles of the two countries have frequently exchanged visits. Official and private exchanges between political, economic, trade, cultural, educational, scientific, technological, sports, health, environmental, news, publishing, academic, and friendship bodies and friendship cities have become increasingly frequent, and friendly relations and cooperation between the two countries have rapidly expanded, attaining a dimension never witnessed in the history of contacts between the two countries. Providing a precise account of these exchanges is quite impossible. However, one can get a glimpse of it from a few angles. Leaders of the two countries tend to exchange visits during their tenures in office. This has occurred even more so in recent years. Premier Li Peng made a friendly official visit to Japan in April 1989; General Secretary Jiang Zemin did the same in April 1992, his first visit to a Western economically developed country since assuming the post of secretary general. Chairman Wan Li visited Japan at the end of May 1992. Following the official visit to China by Prime Minister Noboru Takeshita in 1988, Prime Minister Toshiki Kaifu made an official visit in August 1991, the first visit to China by a head of government from a Western country since the "4 June disturbance." In addition to the regular consultations at the ministerial level, the two countries also have regular bilateral contacts through the 21st Century Committee for Chinese-Japanese Friendship, the Council of Chinese and Japanese Nongovernmental Personages, and other government and private bodies. In the area of trade, from 1972 to 1991, the total volume of imports and exports between the two countries increased nearly 22 times from \$1.03 billion to \$22.8 billion. Japan has been China's biggest trading partner for the last 20 years. As a major part of bilateral trade, technology has had an early start and has grown rapidly. It consists of many projects and amounts to a huge sum. In the area of government loans, Japan is the biggest lender to China. Japan has provided three loan packages totaling 1.6149 trillion yen (roughly \$10 billion based on the exchange rates at different times) for 55 projects, and most of them were used for key projects in China. As of last year, there were some 1,500 Japanese-invested enterprises in China. Efforts to form and increase the number of friendship cities has also made great progress. Since Tianjin and Kobe became the first pair of friendship cities in 1973, the number has now grown to 127. Using this channel, the two sides have not only widened the scope of friendship but have also expanded economic cooperation and trade and conducted more agricultural and technological exchanges.

The abovementioned facts adequately indicate the great achievements since the normalization of Sino-Japanese

diplomatic relations 20 years ago. They not only show a brighter future for good-neighborly relations and cooperation between the two countries but also pave the way for development to a higher level. As pointed out by General Secretary Jiang Zemin at the banquet thrown by Prime Minister Kiichi Miyazawa to welcome him on his visit to Japan: "The development of Sino-Japanese relations not only consoles our predecessors but also spurs the younger generations and deserves to be mutually treasured."

II.

Expanding Sino-Japanese good-neighborly relations and cooperation is not only in the common interests of the two countries but also has great importance in safeguarding peace in Asia and the world and promoting mutual development and prosperity in our region and the whole world.

China and Japan are neighbors and are the big nations of Asia. China is the largest developing country, and Japan is one of the handful of economic powers in the world. China and Japan each has its own influence in international affairs. The history of contacts between the peoples of both countries over more than 2,000 years shows that insisting on friendly cooperation not only promotes political, economic, and cultural development in both countries but also makes outstanding contributions to the civilization of mankind. Doing the opposite would be disastrous. During the five decades from the end of the 19th Century, particularly the 10-plus years from the early 1930's, crimes committed by Japanese militarists inflicted great sufferings on the Chinese people and brought great harm to the Japanese people. After World War II ended, ties between the two countries were in an abnormal state for a considerable period of time for reasons that everyone knows, and friendly cooperation could not be realized. This brought harm to both countries and did not serve peace and stability in our region.

Presently, the international situation is fluid and some regions are in turmoil. However, the Asian-Pacific region, especially the east Asian region, is moving in a direction of relaxation and stability. Despite the different social systems, the countries in our region are all seeking peace and development. From now on, whether the Asian-Pacific region can move toward peace, stability, security, mutual development, and prosperity will depend on whether all the countries in our region can work hard and cooperate in earnest. In this regard, China and Japan should and can make important contributions. Constantly pushing forward Sino-Japanese friendly relations and cooperation not only brings benefits to the peoples of both countries but also contributes to peace and development in our region and the world.

The important point is that China and Japan should not confront each other, should not resort to arms again, and should let good-neighborliness and cooperation become the characteristics of their relations. This is the common wish of both the Chinese and Japanese peoples as well as

that of the peoples of all countries in the Asian-Pacific region, because when China and Japan insist on good-neighborliness and cooperation, to a considerable extent, peace, stability, and security will be safeguarded and maintained in our region and the way will be paved for mutual development and prosperity.

China and Japan are separated by a narrow strip of water. Their culture and traditions are close; their economies and technologies complement each other; and their common interests are extensive. For Japan to further develop and prosper, it needs to strengthen its friendship and cooperation with China, which has a vast market. For China to uphold reform and opening up and to accelerate economic development, it needs peaceful and favorable surroundings and more economic and technological exchanges and cooperation with Japan. In addition, it has to eagerly draw upon the success and experience of every country in the world, including Japan. Interdependence has become increasingly obvious in the present world. In actuality, China and Japan have become interdependent. This interdependent relationship is also a part of the interdependence and mutual contacts worldwide. However, the interdependence between China and Japan is complementary; it draws on the experience of each and strengthens cooperation on the basis of equality and mutual benefits. Friendly cooperation and interdependence between China and Japan not only benefits both countries but also has great importance in promoting cooperation and development exerting an influence in the Asian-Pacific region and the whole world. This is so because Sino-Japanese friendship does not exclude others and each of the two countries has its own extensive international ties, because China has great potential for economic development and has close ties with numerous developing countries, and because Japan has great economic strength, is advanced in science and technology, and occupies an important position among the developed nations. Of course, there will be competition and disputes during interdependence, which is a normal phenomenon in the international community. Competition is necessary in order to promote mutual development, and disputes indicate the need to have more contacts and understanding, to reach a common view, and to have mutual respect.

The establishment of a new international order has been placed on the agenda in a new historic period following the end of the cold war. In establishing a new international order, it is necessary to emphasize the realizing of national sovereignties that are independent and free from influence and on giving all nations—big or small, strong or weak, poor or rich—equal standing. At the same time, we should oppose hegemonism and power politics. People of all nations have the right to choose their own social system, ideology, and course of development in the light of specific national conditions in each country. All nations should respect the territorial integrity of one another and never intervene in others' internal affairs under any pretext. Japan has expressed

its stand and views on establishing a new international order, including the call for an order established on the basis of Western values on democracy, freedom, and human rights. It also takes this point as a substance of "Japanese-Chinese relations within the world." As a major country in Asia, Japan understands the national conditions of Asian countries and the difficulty in practicing Western values in Asia. If the two countries could strengthen consultations, coordination, and cooperation; respect each other; seek common ground while reserving differences; and deal with each other on equal terms in tackling this issue, it is absolutely possible for them to gradually promote mutual understanding, enhance their consensus, and even set a good example for harmonious relations, friendly cooperation, and common development and prosperity between countries of different social systems, thereby making new contributions to peace and development in the world.

III.

The most fundamental legal basis for developing good-neighborly, friendly, and cooperative Sino-Japanese relations is provided by two important documents: the joint statement issued by the governments of the two countries on the normalization of Sino-Japanese diplomatic relations in September 1972 and the Sino-Japanese Treaty of Peace and Friendship signed in October 1978 to legally consolidate bilateral relations. The course of development of Sino-Japanese relations over the past two decades has made a strong point that only sincere fulfillment of the statement and the treaty will bring important benefits to the two countries and the two peoples. Therefore, this remains, at present and in the future, a principle for developing good-neighborly, friendly, and cooperative relations between the two countries that tolerate no deviation.

Viewed comprehensively, all incidents that adversely affected in varying degrees relations between the two countries over the past two decades were not initiated by the Chinese side. In connection with the unfortunate events in history, the Chinese leaders have all along stressed that "past experience, if not forgotten, is a guide for the future generations" and have believed that only by drawing a serious lesson from the positive as well as negative experiences in developing Sino-Japanese relations and by upholding the spirit of the joint statement and the friendship treaty will we be able to really pass on our friendship from generation to generation.

People have noticed the presence of a force inside Japan that always makes use of certain bilateral issues left over by history, including territorial disputes, and the two countries' different views on some major incidents to stir up public opinion and create trouble in an attempt to jeopardize bilateral friendly relations and cooperation, or even to prevent fulfillment of the joint statement and the treaty, because this force does not want to see friendship and cooperation between Japan and China. In view of this, we would be able to safeguard a bright

future for good-neighborliness, friendship, and cooperation and the fundamental interests of both sides only if we give priority to the overall benefit of bilateral relations and resist interference.

For historical reasons, Japan's activities in seeking a change in its role from an economic power to a political power have concerned people. Japan's becoming a political power and seeking to play a political role commensurate with its economic standing is an inevitable trend in its post-war historical development. Japan would undoubtedly be welcomed and praised universally if it could make substantial contributions with its mighty economic power and thereby play a positive role in politically upholding and promoting peace and development in the Asian-Pacific region and in the world. At the same time, this will also give a further lift to Japan's political influence and standing in the international community. The Asian countries are still concerned with the possibility of Japan's reemerging as a military power and have expressed a variety of doubts over Japan's intention to send its troops overseas. The Chinese leaders also hope that Japan will take a cautious approach to the extremely sensitive issue of dispatching troops overseas. The fact that the Japanese people are clearly divided over this issue was reflected by the action of some opposition parties and citizens who voted against the "UN Peacekeeping Operations Cooperation Bill" that provides for the dispatch of troops overseas.

IV.

As we look back on the 20th anniversary of the normalization of Sino-Japanese diplomatic relations at the course of development of bilateral relations over these years, we may draw a conclusion that friendly cooperation remains the mainstream despite some twists and turns and the need for more time to settle certain issues. As such, a solid foundation has been laid for the two countries to open up prospects for good-neighborly and friendly cooperation.

Both China and Japan have attached importance to developing good-neighborly, friendly, and cooperative relations, taking it as one of their major diplomatic tasks. Looking to the future, the development of the objective situation will cause the two countries to confront a series of new, common issues.

The main objective undoubtedly is to bring about comprehensive, thorough, and substantial development of good-neighborly, friendly, and cooperative relations between the two countries and to constantly lift such relations from one new level to another, on top of the great successes we have already made.

At the same time, sustained efforts by the entire international community are needed to resolve global issues such as major changes in the international situation, turbulence in the world, the presence and intensification of various economic and political contradictions and crises, and environmental protection—all of which could be summed up as the two major issues of peace and

development. China and Japan's actions in striving to solve these unprecedentedly numerous, complicated, acute, and protruding global problems will draw increasing attention from the world.

Joint efforts by China and Japan in conjunction with other countries concerned with safeguarding peace, stability, and security—particularly in the Asia-Pacific and the Northeast Asian regions—are even more vital, as such matters are closely linked to these two countries which shoulder important responsibilities.

At a time when regionalization and the forming of economic blocs are becoming a trend in the world economy, we have another arduous task which is to cope with changes in the situation, strengthen the existing global and regional economic organizations, and establish a regional economic mechanism that does not discriminate against other regions, thereby promoting international economic cooperation and economic development and prosperity in the region as well as the world.

Humanity will soon enter the 21st century. Although we might not be able to judge the accuracy of all kinds of comments and forecasts people have made about the Asia-Pacific region of the 21st century, China and Japan will be assured of positions and roles that must not be neglected. Through joint efforts by the people of China, Japan, and all other countries in the region, realizing the forecast that "the 21st century will be the century of the Pacific" might not be a dream.

During their contacts in recent years, both China and Japan have talked about establishing "Sino-Japanese relations that are geared toward the 21st century." In developing good-neighborly, friendly, and cooperative relations between the two countries, it is necessary not only to pay attention to the present, but to set sights on the future; this means not only our bilateral relations, but relations that will contribute to peace and development in the Asia-Pacific region as well as the world.

To greet the 20th anniversary of the normalization of Sino-Japanese diplomatic relations, governments and private sectors of both countries are organizing varied and colorful celebrations and making arrangements for specific projects to promote friendly cooperation. Through these activities, the people of the two countries will have a deeper understanding of the great significance of Sino-Japanese good-neighborly and friendly cooperation to both countries and to peace and development in the Asia-Pacific region as well as the world, and will draw encouragement for continuing their enthusiastic efforts in advancing these relations.

As Sino-Japanese friendly cooperation is in line with the needs of the times and the will of the people, more spectacular results and greater successes will certainly be made should the governments and people of both countries set their sights on the future and make unremitting efforts.

DPRK To Seek Compensation for 'Comfort Women'*OW0308175492 Beijing XINHUA in English
1528 GMT 3 Aug 92*

[Text] Pyongyang, August 3 (XINHUA)—The Democratic People's Republic of Korea (DPRK) has created a committee aimed at demanding compensation for comfort women and other victims of the Pacific war, the KOREAN CENTRAL NEWS AGENCY (KCNA) said today.

The committee was formed by various organizations in the DPRK on August 1.

A solution to these issues is essential for the establishment of friendly and neighborly relations between Pyongyang and Tokyo, KCNA said.

The creation of the committee, which is headed by O Mun-han, vice chairman of the Committee for Foreign Cultural Relations, shows the Korean people's desire to solve the post-war issues.

Other members of the committee are historians, lawyers and other law experts.

Following recent reports disclosing that the Japanese Imperial Army had forced thousands of women, largely Asian and mostly Korean, to serve as sex slaves in Japanese brothels during World War II, strong demands for compensation have been made from the countries of the victims.

DPRK Soldiers Mark PLA Founding Anniversary*SK0108070392 Beijing Radio Beijing
in Korean 1100 GMT 29 Jul 92*

[Text] On the occasion of the 65th anniversary of the founding of the Chinese People's Liberation Army [PLA], 1,000 soldiers of general Cho Myong-son's unit of the Korean People's Army [KPA] held a rally, which was attended by General Chon Chae-son, vice chief of the KPA General Staff, and (Zhang Chongda), charge d'affaires of the Chinese Embassy in the DPRK.

In a speech at the rally, General Cho Myong-son praised the PLA for traversing an honorable and militant road for the past 65 years. He remarked that the victory of the Chinese revolution and the birth, development, and prosperity of a new China had been embroidered with the red blood of the PLA soldiers who are endlessly loyal to the party, the fatherland and the people.

He stressed that during the past few years, the PLA had registered great success in the struggle to achieve modernization and regularization of the military and that it is doing an excellent job of defending the nation. The PLA is also making great contributions to the prosperity and wealth of the nation.

He noted that the long tradition of friendship between the DPRK and Chinese armies is exemplified in China's

voluntary participation in Korea's Fatherland Liberation War. By upholding the banner of "Resist America, aid Korea, safeguard the home, and defend the nation," they helped the Korean people's struggle with blood.

He maintained that the friendship between the two peoples as well as the two armies will remain forever in the hearts of the peoples and armies of the two countries.

In a speech, Colonel (Un Guando), Chinese military attache to the DPRK praised the success and achievements of the KPA.

He stressed that the Chinese people and the PLA have always treasured the DPRK-China friendship, and that no matter how the world situation may change, the Chinese people and the PLA will continuously unite with the Korean people and the KPA so that China-DPRK friendship and support will be passed on, from one generation to the next. He added that they would make all efforts to defend peace in Asia and the world.

Southeast Asia & Pacific**Beijing Mayor Chen Xitong Arrives in Indonesia***OW0308175392 Beijing XINHUA in English
1539 GMT 3 Aug 92*

[Text] Jakarta, August 3 (XINHUA)—Beijing Mayor Chen Xitong arrived here this afternoon, at the invitation of Jakarta Governor Wiyogo Atmodarminto [name and title as received], starting his five-day visit to Indonesia.

Jakarta vice governor, mayors of western and central Jakarta municipalities, welcomed the mayor respectively at the airport and the Hotel Borobudur Intercontinental.

Jakarta Governor Wiyogo this evening gave a banquet in honor of the visiting mayor and his party.

During the visit, Beijing Mayor Chen Xitong, who is also a Chinese state councillor, and Jakarta Governor Wiyogo are going to sign a memorandum of understanding concerning sister city cooperation between capitals of Indonesia and China.

Meets Vice President*OW0408075192 Beijing XINHUA in English
0733 GMT 4 Aug 92*

[Text] Jakarta, August 4 (XINHUA)—Indonesian Vice-President Sudharmono said here today that the friendly relations between Indonesia and China should develop continuously.

Therefore, he said, the Indonesian central government is backing mutual visits between leaders of local governments of the two countries.

The vice-president made the remarks this morning when meeting with Chinese State Councillor and Beijing Mayor Chen Xitong in the vice-presidential office.

He said mutual visits of central governments, local governments and people of Indonesia and China are very important. These visits are helpful in deepening understanding, so as to promote further development in the friendly relations between the two countries, he added.

Sudharmono said Jakarta and Beijing, capitals of Indonesia and China, have played a special role in the process of relations development between the two countries.

He wished that the signing of a memorandum of understanding concerning sister city cooperation between the capitals of Indonesia and China will become the foundation of Beijing-Jakarta friendship.

He hoped that in the spirit of the memorandum of understanding, the two capitals will work out concrete programs to gain practical achievements.

Chen Xitong said the continuous development of friendship between China and Indonesia is not only beneficial to the two countries, but also in line with the interests of peoples in the Asian region and the whole world.

He said China and Indonesia with 1,400 million population on the road of development will create great impact on the world.

The Beijing mayor praised Jakarta Governor Wiyogo for his great contributions in developing relations between Beijing and Jakarta.

Thanks to the concern of President Suharto and Vice-President Sudharmono, Wiyogo's Beijing visit this April had opened the gate wide for further developing the friendly relations between the capitals of the two countries, thus becoming a milestone in the history of the two cities, Chen Xitong said.

Present at the meeting were the Jakarta governor and charge d'affaires ad interim of the Chinese Embassy Liu Xinsheng.

Upon an invitation from Wiyogo, the Beijing mayor arrived here Monday to start a friendly visit to Indonesia.

The Jakarta governor and the Beijing mayor met here this morning to discuss and exchange experiences on issues of mutual interest in municipal construction.

Fijian Speaker Meets NPC Vice Chairman

*OW0308152692 Beijing XINHUA in English
1457 GMT 3 Aug 92*

[Text] Canberra, August 3 (XINHUA)—Apenisa Kurisapila, speaker of the Fijian House of Representatives, met Peng Chong, visiting vice-chairman of the Chinese National People's Congress (NPC), in Suva today.

Peng, heading a NPC delegation, arrived in Suva yesterday to pay a 4-day visit to the South Pacific nation.

Kurisapila said during the meeting that the visit of the Chinese NPC delegation embodies the friendly relations between the Chinese and Fijian peoples.

Both Kurisapila and Peng expressed their wishes to enlarge cooperation between the two legislatures and make efforts to promote the friendly relations between the two countries.

Peng also invited Kurisapila to visit China on behalf of the NPC Standing Committee during their meeting, for which Kurisapila expressed his appreciation.

Political & Social

Jiang Zemin Plans Reform of State Council

HK0108064292 Hong Kong CHENG MING in Chinese No 178, 1 Aug 92 pp 26-27

[Article by Fang Chou (2455 1558): "Jiang Zemin's 'Brilliant Idea' for Personnel Reshuffling"]

[Text] Ever since Deng Xiaoping supported Zhu Rongji in setting up and heading the Economic and Trade Office of the State Council, Jiang Zemin has been devising a system calling for separate authority and management within the State Council, one which will be approved by Deng Xiaoping as well as recognized by the elders of the conservative faction, and one which will also give Li Peng, Zhu Rongji, Tian Jiyun, and Zou Jiahua "each a proper role to play." According to knowledgeable sources, this is Jiang Zemin's strategy designed to ensure a balance of power.

Abolish Ministries and Set Up Commissions, Introduce Well-Defined Divisions of Labor

According to this plan drawn up by Jiang Zemin and Song Ping, all the existing ministries, commissions, and offices of the State Council will undergo a major reorganization along these lines: Most administrative organs and institutions will not be touched, while most of those related to economic affairs will either be closed, suspended, merged, or transformed, with a new management system underlined by "three commissions and one office" to be set up on this basis at the State Council.

The so-called "three commissions" consist of the following: (1) The existing State Planning Commission. (2) An Economic and Trade Commission set up on the basis of the Economic and Trade Office headed by Zhu Rongji. (3) A new Agriculture Commission to be established. Meanwhile, all the existing State Council ministries, commissions, and offices in charge of industry, agricultural production, finance, monetary affairs, commerce and trade will either have their functions transformed and these departments converted into purely economic entities, or they will be reclassified and merged under the three aforementioned commissions.

Li Peng Gives Up All Major Economic Powers

The so-called "one office" refers to the office of administrative and external affairs which will encompass all ministries, commissions, and offices under the State Council which are not related to the economy, such as the Ministry of Foreign Affairs, Ministry of Health, State Education Commission, State Physical Culture and Sports Commission, State Family Planning Commission, and others. Meanwhile, the public security, procuratorate, and judicial departments as well as the Ministry of National Defense will remain under State Council jurisdiction in name but, in fact, they will be directed by the Political Bureau.

Once this structural reorganization is completed, the current division of labor at the State Council will be as follows:

Li Peng will be in charge of the Office of Administrative and External Affairs; Zhu Rongji will serve concurrently as director of the Economic and Trade Commission; Tian Jiyun will serve concurrently as director of the Agriculture Commission; and Zou Jiahua will serve as director of the Planning Commission.

Reorganization Plan Has Too Many Loopholes

Prompted by Tian Jiyun's repeated call for the establishment of a state agriculture commission and the endorsement of this motion by Deng Xiaoping recently, Jiang Zemin took advantage of the opportunity to draw up this "major reorganization plan" of the State Council organs. As soon as this plan was circulated within a very small field in order to solicit comments, however, three questions were immediately raised:

One. If Li Peng is no longer in charge of the economy and is only in charge of external and administrative affairs, how should his administrative functions be arranged? It will be unprecedented to have a State Council premier who is not in charge of the economy. Moreover, the people who first nominated Li Peng for the premiership had argued that he was a suitable person to take charge of the economy. How come this "suitable person to take charge of the economy" is kept out of economic affairs and made to manage the weaker events in his "political resume"? Is this not a case of tapping his weaknesses and ignoring his "strengths"?

Naturally, the person who posed this question was also sceptical on another point which he did not raise directly: The question of the "4 June" suppression which has tainted Li Peng's international image terribly. Everytime he goes abroad, he is a pathetic, detested visitor. If he is to be in charge exclusively of foreign affairs in the future, how will it be possible to improve ties with Western countries?

Two. How will the "three commissions" be interrelated to one another? Because of the excessive emphasis on planned economy in the past, the State Planning Commission under the State Council in effect operated like a "mini-State Council" which has a leading and commanding role over the ministries and commissions related to the economy. Will it continue to enjoy the same role over the other two commissions in the future? If this is the case, what exactly will be the main functions of the Planning Commission then?

Moreover, since the Economic and Trade Commission is in charge of industry and commerce as well as domestic and foreign trade, will the domestic and foreign trade related to agriculture, forestry, animal husbandry, supplementary industry, fishery, and others come under the jurisdiction of the Economic and Trade Commission? If this is so, will the commission then become superior to the Agriculture Commission?

Reformist Faction Claims Weakening Functions of State Planning Commission Is Natural Trend

However, some reformists have also pointed out that while this concept may have shortcomings in many aspects, when considered from the perspective of comprehensively developing "socialist market economy," the organs should be reformed and, at any rate, the State Planning Commission should no longer operate as a "mini-State Council." Most of its functions should henceforth be shifted from past endeavors in planning and mandatory planning to carrying out macroeconomic assessment and forecasting from above and offering market guidance, information and consultation to its subordinates. Therefore, the question of a Planning Commission commanding the other two commissions will not exist.

Jiang Wants To Preserve the "Quadripartite Balance of Power" at the State Council

Even though Jiang Zemin presented this "bold concept" on the pretext of it being necessary for the deepening of reform, his primary motive for doing so is actually to restrict power and preserve a balance of power.

Jiang Zemin is well aware that Zhu Rongji, Tian Jiyun, and Zou Jiahua all scored heavily for their stands and attitudes on reform and opening up and that their political stocks have clearly soared in the eyes of Deng Xiaoping, Yang Shangkun and other reformist leaders; and while Li Peng's public image is not good, he has the strong support of the conservative elders and therefore cannot be slighted in any way. Meanwhile, since he assumed office three years ago, not only does he not have any political achievements to speak of in the area of reform and opening up, he also failed to respond actively after Deng Xiaoping delivered his talks during the latter's southern tour, prompting Deng Xiaoping to express his obvious impatience in his talks at the Capital Steel and Iron Company in May. Consequently, he seems to feel that his position as "core of the third generation of leaders" is under threat.

Given his concerns in these two areas, the reform proposal outlined by Jiang Zemin no doubt is designed to achieve two principal objectives: (1) Curry favor with both Deng Xiaoping and Chen Yun; (2) Pin down Zhu Rongji, Tian Jiyun, and Zou Jiahua firmly in different leading posts within the State Council so that none of them can move into the party affairs system at the 14th party congress. As long as these three men are ruled out as candidates to the party affairs system, even if Jiang Zemin's position as general secretary is challenged, he will at least not be "outnumbered"—even though Qiao Shi is, without doubt, a fairly big threat.

Moreover, as long as these three men are pinned down within the State Council and, together with Li Peng, maintain a "quadripartite balance of power" for as long as possible, they will wear each other down while he, Jiang Zemin, keeps himself above the fray and watches them slug it out.

Jiang Zemin Inspects Shandong Province 23-31 Jul

Urges 'Unity' in Reform, Opening Up

OW0108073092 Beijing XINHUA Domestic Service
in Chinese 0315 GMT 1 Aug 92

[By reporter Liu Deyu (0491 1795 3768)]

[Text] Jinan, 1 August (XINHUA)—During a recent inspection tour of Shandong Province, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, urged all comrades of the party to comprehend more thoroughly and implement comprehensively the guidelines of Comrade Deng Xiaoping's important talks made earlier this year, constantly to strengthen awareness and steadfastness in implementing the party's basic line, and to grasp the current good opportunity to work hard and in unity to create a new situation in economic construction, reform, and opening up, so as to greet the convocation of the 14th CPC National Congress with outstanding achievements.

Accompanied by secretary Jiang Chunyun of the Shandong Provincial CPC Committee, governor Zhao Zhihao, and political commissar Song Qingwei of the Jinan Military Region, Jiang Zemin successively inspected Weihai, Yantai, Qingdao, Zhucheng, Rizhao, Linyi, Qufu, and Jinan prefectures and cities from 23 through 31 July.

During the inspection, Jiang Zemin spoke highly of the gratifying achievements of Shandong in reform and opening up as well as in economic and social development in the past more than a decade. He pointed out: To advance unswervingly along the road of socialism with Chinese characteristics charted by Comrade Deng Xiaoping, to persist in and accelerate the pace of reform and opening, and to concentrate all efforts to push the national economy and promote social progress in all fields are the common aspirations of Chinese people of all nationalities; as well as the only way to consolidate and develop China's socialist undertaking, rejuvenate the Chinese nation, and make the country strong and prosperous. As the Chinese economy needs to be developed at a vigorous pace, all localities should proceed from realities in striving for fairly fast development with high quality and efficiency and in keeping with changes in market demands. In accelerating economic construction, we should emancipate our minds while seeking truth from facts; we should foster lofty aspirations while making hard and solid efforts. It is necessary to work out well-conceived and meticulous plans in order to fully harness the enthusiasm of various sectors, seeing to it that the enthusiasm of the masses is properly guided, protected, and brought into play. It is also necessary to make a concerted effort to accomplish several major tasks and blaze a path for developing the national economy in a wholesome cycle and with high growth rate and efficiency.

Jiang Zemin inspected a number of large- and medium-sized enterprises and economic and technology development zones in Shandong, and held discussion meetings with their cadres, staff, workers, scientists, and technicians. He said: It is certain that we will encounter many new circumstances and problems while stepping up the pace of reform and opening to the outside world and while setting up a new economic system. Therefore, we must intensify our study in the course of practice. Through studying, we can constantly improve the quality of a large number of cadres; raise their levels of understanding of Marxist theory and modern science and culture as well as their capability to study and solve new problems; and strive to train qualified personnel who will meet the needs of the modernization drive in various fields.

During the inspection, Jiang Zemin also held discussion meetings with responsible comrades of Zhucheng, Laiwu, Changyi, Feicheng, Yangxin, and other pilot counties engaged in structural reform and pilot villages and towns carrying out comprehensive reform, and studied and discussed together with them ideas on organizational reform. Jiang Zemin noted: We must have the determination to initiate the reform of administrative structure and organizations, conscientiously transform their functions, bring about harmonious relations among them, streamline administration, and raise efficiency. This is not only a pressing task in the reform of political system, but also a prerequisite for furthering the reform of economic system. Party committees and governments at all levels must unify their thinking, constantly accumulate experiences through experimentation, and push reform forward in an orderly and guided manner.

Paying close attention to construction in old revolutionary base areas, Jiang Zemin made a special trip to the Yimeng mountainous area, where he met with veteran Red Army and Eighth Route Army soldiers and representatives of heroes and models. He discussed with the cadres and people plans for invigorating the economy there.

Because the inspection took place on the eve of the 65th founding anniversary of the Chinese People's Liberation Army (PLA), Jiang Zemin visited units under the Jinan Military Region and the North Sea Fleet to extend felicitations to the large number of commanders and fighters. He exhorted them to carry forward the PLA's glorious tradition, strengthen unity between the army and the government and between militarymen and civilians, and promote the construction of the army in all fields, so as to contribute more to China's reform, opening up, and economic development.

Responsible comrades of relevant departments accompanying him on the inspection tour were Liu Jiang, Wu Yi, Li Jinai, Zeng Qinghong, Hu Guangbao, and Teng Wensheng.

Further on Inspection

OW0108101492 Beijing XINHUA in English
0910 GMT 1 Aug 92

[Text] Jinan, August 1 (XINHUA)—Chinese Communist Party chief Jiang Zemin urged the whole party to be united and work hard to achieve new successes in economic construction, reform and opening to the outside so as to greet the opening of the 14th National Party Congress to be held later this year.

Jiang, general secretary of the Central Committee of the Communist Party of China (CPC), made the call during an inspection tour of east China's Shandong Province between July 23 and 31. In the company of Jiang Chunyun, secretary of the provincial CPC committee, Zhao Zihao, governor of the province, and Song Qingwei, political commissar of the Jinan Military Area Command of the Chinese People's Liberation Army (PLA), Jiang toured Weihai, Yantai, Qingdao, Zhucheng, Rizhao, Linyi, Qufu and Jinan cities.

Jiang said that the whole party should conscientiously study and carry out the guidelines contained in the important remarks made by Comrade Deng Xiaoping early this year in south China.

The general secretary spoke highly of the achievements of Shandong Province in economic and social development in the past dozen years of reform and opening to the outside world.

He pointed out that it is the common desire of the whole nation to persist in and speed up reform and opening drive, concentrate efforts on national economic development and promote overall social progress. That is also the only road for China to consolidate and develop its socialist cause and make itself prosperous and strong, he said.

He added that China's economy should develop at a positive high growth rate and the various localities should stress rapid development, high quality and efficiency to meet the needs of the market in line with local conditions.

He urged the local governments to cherish high aspirations and work in a down-to-earth way. They should fully mobilize, protect and guide the initiative of the people by detailed planning and meticulous persuasion and pool all efforts to probe a way that will uplift the national economy with both high speed and good efficiency.

When he visited big and medium-sized enterprises and economic development zones of the province, Jiang remarked that to speed up reform and opening to the outside world, and set up a new economic system, China will meet with many new problems. He asked the local people to study hard and raise their understanding and their qualities in science and technology, and train new capable people to work for China's modernization program.

Jiang also exchanged views with officials of counties and towns piloting reform measures. He said that China will firmly carry out the reform of its administrative system and institutional structure. "This is an urgent task of the political reform and the necessary condition to deepen the economic reform," he said.

Jiang was particularly concerned about the development of former revolutionary bases in the province. He went to the Yimeng Mountains and called on revolutionary veterans.

He also called on army units stationed locally and the North China Sea fleet to extend his festival greetings to the officers and men on the eve of the 65th anniversary of the founding of the People's Liberation Army which falls on August 1. He urged them to make new contributions to the present drive of reform and opening to the outside world as well as economic development.

Jiang Attends Army-Day 'Soiree'

SK0108140692 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 31 Jul 92

[Text] On the evening of 31 July, the assembly hall of the club of Jinan Nanjiao Guesthouse was decorated with lanterns, colored ribbons, and fresh flowers, full of joyous song and laughter. The hall also permeated with an atmosphere of the army cherishing the people and of the people supporting the army as well as a joyous and warm festive atmosphere. The Shandong Provincial government, the Jinan Military Region, and the Jinan City government ceremoniously cosponsored a army-civilian soiree to warmly mark the 65th anniversary of the founding of the Chinese People's Liberation Army [PLA].

Accompanied by Jiang Chunyun, secretary of the Shandong Provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Zhang Wannian, commander of the Jinan Military Region; and Song Qingwei, political commissar of the region, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, who is just inspecting Shandong Province, attended the soiree. Together with responsible comrades of the province and the PLA units stationed in Shandong and representatives of combat heroes and model workers, he joyfully welcomed the arrival of the 1-August Army Day.

At 2000 when a smiling General Secretary Jiang Zemin, glowing with health and radiating vigor, came to join the comrades participating in the soiree, the participants gave him an ovation.

General Secretary Jiang Zemin gave an ebullient speech at the soiree.

He said: On the eve of the 65th anniversary of the founding of the PLA, I am very glad to have the opportunity to spend this evening with party and government leading comrades of Shandong Province and

leading comrades of the PLA units stationed in Shandong to mark the 65th anniversary of the founding of the Chinese PLA.

On behalf of the party Central Committee, the State Council, and the Central Military Commission, Jiang Zemin extended festive regards to the officers and men of the PLA units and the armed police forces stationed in Shandong; wished the veteran comrades, who had a long-term military life and dedicated their youth and made great contributions to the founding of New China, good health and a long and happy life; extended cordial regards to the vast number of family members of revolutionary martyrs and servicemen and the local comrades who have been working hard to develop the army building and promote the work of supporting the army and giving preferential treatment to family members of revolutionary martyrs and servicemen.

General Secretary Jiang Zemin pointed out: The national situation is gratifying. Particularly after Comrade Deng Xiaoping made important speeches during his inspection in South China, the national overall reform, opening up, and economic situation flourishes further.

He said that we should always persist in the basic line of the party—one center and two basic points and push forward the cause of building socialism with Chinese characteristics.

Jiang Zemin said: Persisting in the party's absolute leadership over the army and strengthening the unity between the army and the government and between the army and the people is our fine tradition. A good situation in unity between the army and the government and between the army and the people could be seen in Shandong wherever we went. The army has made achievements in supporting local economic construction. This indicates that our army is not only an iron wall for national defense but also a key force to build socialism with Chinese characteristics. Historical experiences fully proved that the country will be invincible when the Army and the people are united as one.

General Secretary Jiang Zemin's speech frequently won the warm applause of the comrades present at the soiree.

At the beginning of the soiree, on behalf of the provincial party committee, the provincial government, and all people of the province, Comrade Jiang Chunyun warmly welcomed Comrade Jiang Zemin, general secretary of the party Central Committee and chairman of the Central Military Commission, on inspecting Shandong and attending the soiree. He warmly extended festive greetings to the broad masses of commanders and fighters of PLA units stationed in Shandong.

At the soiree, literary and art workers of the army units and localities brought the audience to times of war with their loud and clear songs and beautiful and moving dances. They heartily expressed that the people in Shandong support the army and the officers and men of the PLA respect the people, and extolled the glorious courses

that the People's Army has taken under the leadership of the CPC over the past 65 years.

They pledged to further rally around the party Central Committee with Comrade Jiang Zemin as its nucleus; to vigorously revolutionize, modernize and regularize the PLA; to ceaselessly deepen reform, expand the scale of opening up, speed up economic development, and consolidate the relationship between the army and the government and between the army and the people; to share a common fate; to make the heart of the people link with the army; and to make new greater contributions to the prosperity of the great motherland.

After the performances, leading comrades, including Jiang Zemin, stepped to the stage to meet with all of the performers. He also had a group photo taken to mark the occasion.

Present at the soiree were responsible comrades of the departments concerned under the party Central Committee and the State Council; responsible comrades of the general political department of the PLA; members and alternate members of the CPC Central Committee living in Jinan; members of the Central Advisory Commission and the Central Discipline Inspection Commission who are in Jinan; Standing Committee member of the party committee of the Jinan Military Region; responsible comrades of the headquarters, the political department, and the logistics department of the region; veteran comrades at or above the regiment level; responsible comrades of the Air Force of the Jinan Military Region and the Shandong Provincial Military District; Standing Committee members of the provincial party committee and the provincial Advisory Commission; secretary of the provincial discipline inspection commission; chairman and vice chairmen of the provincial People's Congress Standing Committee; vice governors of the provincial government; special advisers of the provincial government; chairman and vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; responsible comrades of the provincial higher people's court and the provincial people's procuratorate; and veteran comrades at or above the provincial level. Responsible comrades of the provincial people's armed police headquarters and Jinan city also attended the soiree.

Report Profiles Chief Interpol Officer

HK0308083892 Beijing ZHONGGUO XINWEN SHE
in Chinese 0423 GMT 18 Jul 92

[Report by Peng Weixiang (1756 0251 4382): "Zhu Entao, Highest Interpol Officer in China"]

[Text] Beijing, 18 Jul (ZHONGGUO XINWEN SHE)—Zhu Entao actually wanted to engage in the study of Shakespeare 29 years ago. However, Zhu, who is now 54, has become director of the Chinese National Central Bureau of Interpol.

Despite this, Zhu still maintains the manner of a scholar. Shaking hands with him, people can realize from the first meeting that he is a well-trained policeman.

Zhu said: "I can shoot very well with both rifle and pistol."

While abroad, a foreign policeman presented him a new model of pistol to test his skill. Zhu took the pistol and hit the 45 ring with five rounds.

Nevertheless, Zhu Entao did not rely merely on his marksmanship to assume the office of director of the Chinese National Central Bureau of Interpol. Zhu Entao, who majored in English literature and graduated from Nankai University in 1963, has served in the Chinese police for 29 years.

Many people in the Public Security Ministry know that Zhu has a good mastery of English. Writing daily in English has become his hobby.

Among the Chinese policemen of Zhu's generation, very few are proficient in English and at the same time have a good command of French and Russian.

But Zhu said: "Foreign languages are just a tool." He is most proud of the fact that he has done a lot to defend the country.

Zhu worked in the Guangzhou public security organs for a decade. He said: "I was then engaged in the investigation of economic cases." It was not until 1983 that he came to the front of the stage and joined the foreign liaison work of the Chinese police. When he accompanied Minister of Public Security Tao Siju, who was then vice public security minister, on a tour to Europe, he met with (Bosha), secretary general of Interpol. Later, he was busy making preparations for China to join the organization.

China officially joined Interpol in 1984. One year later, Zhu Entao was elected as a member of the Executive Committee of Interpol.

(Bosha), secretary general of Interpol, told the leading members of the Executive Committee at that time: "There is no precedence in the history of Interpol for a country's representative to be elected as a member of the Executive Committee a year after joining Interpol."

As to Zhu Entao, it was just the beginning. Two years later, he became one of the three vice chairmen of Interpol. Thus, he won fame.

In Hong Kong and Singapore, the airport security personnel can immediately identify him as a well-known figure from Interpol.

Interpol, which has 158 member nations, has to face many major criminal offenses every day. For this reason, its leaders must make decisions resolutely and deal with affairs calmly. Moreover, they should take action prudently.

"I have presided over many meetings of Interpol," Zhu said. "We should allow all parties concerned to express their views, lead debates, and eventually resolve the problems."

While talking about this, he gestured as if playing the piano.

Indeed, Zhu is artistically endowed. During his spare time, he goes to karaoke rooms with family members. Some colleagues believe that he sings in an eloquent manner, but his young daughter insists that her father is singing in the traditional national way.

"I am fond of singing and dancing," Zhu Entao said, "I like classical, national, folk, and also rock and roll."

Like his open attitude toward music, Zhu persistently urges China's police to develop in a high-tech direction.

Not long after assuming the office of director of the Chinese National Central Bureau of Interpol in June this year, Zhu said that he will try as much as possible to send policemen to study and receive training abroad. At the same time, he will update the communications facilities with Interpol headquarters.

Zhu said that China will enhance the study of crime in the neighboring countries and regions. In the years ahead, the Chinese National Central Bureau of Interpol will participate positively in international cooperation.

In the eyes of many people, Interpol is a mysterious profession. Zhu himself also agrees with this point. However, he said, Interpol is also human beings who have their own pursuits and interests.

From a researcher into Shakespeare to the highest Interpol officer in China, Zhu Entao brought together the two divergent positions. Although Zhu has become a noted figure in international police circles, his family members say: "He does not look like a policeman at all."

'Counter-Revolutionary' Wang Hongwen Dies

OW0408093992 Beijing XINHUA in English
0922 GMT 4 Aug 92

[Text] Beijing, August 4 (XINHUA)—Wang Hongwen, a principal culprit of the Lin Biao and Jiang Qing counter-revolutionary clique, died of a liver complaint here on August 3. He was aged 58.

Wang was sentenced to life imprisonment and deprived of his political rights all his life by the Special Tribunal of the Supreme People's Court in January 1981.

Wang was hospitalized for treatment in 1986 when he became ill.

'Liberal Cadres' Seek Bao Tong's 'Early Release'

HK0108042592 Hong Kong SOUTH CHINA
MORNING POST in English 1 Aug 92 p 11

[By Willy Wo-lap, fani]

[Text] Liberal cadres within the Chinese Communist Party are lobbying for the early release of former Central Committee member Bao Tong, who was given a seven-year sentence last week for leaking state secrets and "counter-revolutionary incitement."

Family members of Mr Bao, a right-hand man of ousted party chief Mr Zhao Ziyang, confirmed yesterday he had lodged an appeal on day after his trial on July 21.

A spokesman for the Beijing Intermediate People's Court said the appeal had been transferred to the Supreme People's Court for review.

Bao's son, Mr Bao Pu, who is a student in the United States, said yesterday the family had not been told when the appeal would be deliberated upon.

"We have doubts about a Chinese citizen's rights to lodge an appeal," Mr Bao said.

"More often than not, a higher court will dismiss an appeal without scheduling a retrial."

He said the two lawyers who defended his father, Mr Yang Dunxian and Mr Zhang Sizhi, had helped Bao draft his appeal.

But since the family thought Mr Zhang had been more effective in defending Bao, he had taken over from Mr Yang as the chief counsel.

Sources close to the judiciary said the chances of the initial judgement being over-turned were almost nil.

But friends of the Bao family in Beijing said there was a possibility Bao, who used to head the now-defunct Office for the Reform of the Political Structure, might be let out early.

Since he had already been detained for three years prior to the judgement, Mr Bao need only serve four more years in jail.

"Bao still has many friends in the upper echelons of the party," a source said.

"These friends hope Bao could be released within the year under the mechanism of 'taking bail to seek medical treatment.'"

Since 1990, several dissidents and officials detained for alleged involvement in the 1989 democracy movement have been prematurely set free in this way.

Mr Bao said if the appeal was unsuccessful, the family would petition the authorities later this year to grant "medical bail" to Bao, who is suffering from a stomach ailment.

Diplomatic analysts in Beijing said whether Bao would receive lenient treatment depended on the outcome of factional power struggles before the 14th party congress in October.

In the past weeks, Beijing has been awash with speculation that Mr Zhao would get a light verdict before the Congress, and that several of his former proteges would receive promotions later this year.

The analysts said if the momentum continued to go the way of the moderate faction, the chances of Bao being released early would be enhanced.

Government Set To Implement Copyright Conventions

OW0108132692 Beijing XINHUA in English
1305 GMT 1 Aug 92

[Text] Beijing, August 1 (XINHUA)—China is actively preparing for the implementation of two key international copyright conventions, which will come into effect in the country this coming October.

Liu Gao, deputy director of the China National Copyright Administration, told XINHUA here today that among all the steps China is to take in the near future is the country's principle agreement to pay for the buying of foreign copyrights with foreign currencies.

China used to pay for foreign works in art and literature in Chinese renminbi yuan.

China handed its participation notices to the Bern Convention on Protecting Literary and Artistic Works and the World Copyright Convention in mid and late July. They will generally come into effect three months later.

Liu said that the National Copyright Administration is making drafts for detailed regulations concerning the implementation of the two international copyright conventions in China. The regulations have been handed over for approval by the State Council, he said.

He disclosed that his administration, along with provincial copyright bureaus across the country, has made the implementation of the two conventions an important part of their daily work.

The All-China Copyright Agent General Corporation, which used to do copyright affairs related with Hong Kong, Macao and Taiwan, has expanded its service to the world, with initial relations with the United States, Britain and the former Soviet Union.

In addition, Liu noted, China is preparing to establish collective administration organizations on copyright protection. The proposed China Music Copyright Association is now under deliberation, and will be followed some months later by similar organizations in literary works.

"Since China is much later than other countries in copyright protection, the demand for it in the aspect

should not be too high," Liu said, adding that some foreign friends had already expressed understandings to it.

He pointed out that the active attitude of China towards the participation of the two international copyright conventions once again showed China's "sincere wish" to open itself to the outside world.

The Copyright Law of the People's Republic of China went into effect on June 1, 1991. Only 16 months later the two international copyright conventions will be effective in the country. "The speed is rarely seen in the world," Liu said.

He said that China has successfully solved the copyright issues between the mainland, Hong Kong and Taiwan in the last couple of years, and good cooperation can be easily detected in the aspect.

"We hope that such cooperation will be further improved, in order to be conducive to the proper solution of copyright issues between the mainland and Hong Kong and concerning foreign countries," he said.

Sources from the National Copyright Administration disclosed that this September, the largest-ever international symposium on China's copyright system will be held in Beijing.

The Beijing International Book Fair, also to be held in September, will have another important activity—the newly added copyright trading.

High-Level Forum on Enterprise Reform Regulation

OW0308140392 Beijing XINHUA in English
1349 GMT 3 Aug 92

[Text] Beijing, August 3 (XINHUA)—China's central government today summoned 400 high-ranking officials from various departments and localities to the capital in order to implement a regulation giving 105,000 state-owned enterprises greater autonomy in their operations.

Hong Hu, vice-minister of the State Commission for Restructuring the Economy, said that the key issue of the regulation is to push state-owned firms onto the market and enable them to be really responsible for their own businesses, profits and losses.

The 54-article regulation, published late last month, grants all state-owned firms full operational autonomy in 14 areas, including imports and exports, investment, labor, employment, pricing, marketing and the control of apportionment of manpower, funds and materials.

The state will no longer take unlimited responsibilities for related debt problems of these enterprises, Hong said.

As to pricing, he said, the state will narrow the scope of state-set prices, and enterprises can set prices for their processed products and labor services for maintenance and technical co-operation. Enterprises now have the right to set the prices for most means of production.

As to import and export rights, he said, the regulation has different stipulations. Firms which have no import or export rights enjoy the following rights:

—No regional or trading restrictions for those enterprises which want to choose foreign trade agents. Enterprises may choose any foreign trade agents in the nation and can participate in negotiations with foreign trade partners.

—Enterprises can use their retained foreign exchange at will. There is no restriction upon apportionment of foreign exchange if enterprises want to make arrangements abroad.

—Enterprises can undertake any contracted project abroad, and carry out technical co-operation and other labor services.

The regulation also stipulates that those enterprises which have import and export rights enjoy the same treatment as foreign trade firms in import and export quotas as well as licenses.

He warned that departments and localities will be punished if they discriminate against or hamper above enterprises. Moreover, government departments should simplify formalities for going abroad.

Dissident Allowed To Leave for United States

HK0408064592 Hong Kong CHING CHI JIH PAO
in Chinese 4 Aug 92 p 2

[By staff reporter Li Feng (2621 7364): "Dissident Wang Ruowang Has Been Allowed To Go Abroad, and Is To Fly to the United States 5 August"]

[Text] Famous mainland dissident Wang Ruowang has been allowed to go abroad by senior CPC authorities. He has been invited to act as a visiting scholar at Columbia University for one year. Wang Ruowang said that he already bought the air-ticket to San Francisco and would fly the day after tomorrow, and that he would stay there for several days before leaving for New York.

As soon as he received the letter of invitation by Columbia University early this year, Wang Ruowang applied to the Shanghai Municipality public security bureau to going abroad. However, he had a little trouble during the process as the Shanghai authorities did not approve his leaving. He then reported to the senior CPC authorities and got Jiang Zemin's personal attention and approval of his departure.

Wang Ruowang's wife Yang Zi has also been allowed to go with him. So far, Fang Lizhi, Liu Binyan, and Wang Ruowang, who are called the three "spiritual leaders" of democratic movements, and who are the most annoying to the senior authorities on the mainland, have all been allowed to go abroad as visiting scholars in the United States.

Hong Kong Paper Views Party Congress Disputes

Focus on Personnel Matters

HK3107015092 Hong Kong THE STANDARD
in English 31 Jul 92 p 6

[By Cheung Po-ling]

[Text] Various factions within the Chinese Communist Party are divided over personnel matters to be endorsed by the upcoming 14th party congress during meetings at Beidaihe seaside resort, according to Chinese sources.

Sources said the focus of the disputes concerned Song Ping, who was in charge of the party's personnel and organisational matters in the six-member Politburo Standing Committee, and Deng Lihou, a Maoist ideologist.

In the meeting convened at Beidaihe this week, conservative leader Chen Yun has in particular argued that Mr Song, one of his proteges should remain in the Politburo Standing Committee.

Although Mr Chen is in Shanghai, his views have been fully expressed by his aides who are keeping in close touch with the leader of the conservative camp.

In a proposed reshuffle of the Politburo Standing Committee worked out by a preparatory session of the Central Working Conference this month, Mr Song, 75, and Vice-Premier Yao Yilin, 75, were supposed to retire after the 14th party congress.

Instead, the two vacancies and an additional post created are to be filled by Vice-Premiers Zhu Rongji, Tian Jiyun and Zou Jiahua so that the six-member Standing Committee will be expanded to a seven-member group. Mr Zhu and Mr Tian are also considered reformists supporting the Deng Xiaoping line.

Sources said Mr Chen insisted that Mr Song stay on in the top party organ to counter-balance the growing clout of the liberal faction.

In the all-important area of personnel appointment and the promotion of organisational control, it is Mr Song, chief of the Organisation Department, who sets the agenda.

Sources said Deng Xiaoping had objected to Mr Song's staying on.

Strong opposition has also come from the party's liberal camp to block Deng Lihou from entering the Central Advisory Group (CAG), a substitute for the party's Central Advisory Commission (CAC) but much smaller in size. Deng Lihou ranked last in the proposed line-up of the CAG, a holdover of the elder's club which Deng Xiaoping wanted abolished.

Since party elders led by Mr Chen have advocated retaining the advisory body, Deng Xiaoping has made a compromise by nominally dissolving the commission but establishing a smaller CAG instead.

Deng Liqun lost all official posts during the 13th party congress after suffering a major setback in elections. He also failed to be elected to the 14th party congress last month.

Deng Xiaoping has also made a personal ruling that Deng Liqun and another conservative ideologue, Hu Qiaomu should not be inducted into senior positions.

Sources said Deng Xiaoping was therefore particularly unhappy that Deng Liqun has been named as a member of the new CEC by party conservatives.

'Bitter Debates' Sparked

HK0108060892 Hong Kong THE STANDARD
in English 1 Aug 92 p 10

[By S.L. Law]

[Text] Reformist and conservative factions within the Chinese Communist Party are locked in bitter debates at Beidaihe over the line-up for the party and government to be endorsed at the 14th Party Congress.

Sources said Hu Jintao, 50, party boss of the Tibet Autonomous region, had emerged as a "black horse" jockeying for the coveted position in the Politburo Standing Committee.

Mr Hu, who had close ties to late party chief Hu Yaobang, stood a chance of being inducted into the top ranks of the party where he would uphold the spirit of patriarch Deng Xiaoping. To promote younger and reformist cadres.

Sources said if the conservative wing led by Chen Yun insisted that Song Ping, 75, should remain on the Politburo Standing Committee, Mr Hu was likely to be elevated to the high-powered party organ.

In that case, the proposed seven-member Politburo Standing Committee, comprising party chief Jiang Zemin, Premier Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Tian Jiyun and Zou Jiahua, would be enlarged to nine members.

Meanwhile, the Tokyo-based ASAHI SHIMBUN has reported that seven reformist leaders will be promoted to ordinary membership of the Politburo.

Among the seven are military heavyweights Yang Baibing, secretary-general of the Central Military Commission, and Chi Haotian, chief of staff of the People's Liberation Army.

Quoting sources close to the meetings being held at Beidaihe, the report said five other senior officials, who are either close confidantes of paramount leader Deng Xiaoping or known for their reformist attitude, will also be promoted.

They are Ding Guangen, a alternate Politburo member, Wen Jiabao, head of the Central Committee's general office, Foreign Minister Qian Qichen, Wu Bangguo,

party secretary of Shanghai Municipality and Xie Fei, party secretary of Guangdong.

It was also said that Wan Li, chairman of the National People's Congress, and Li Tieying, director of the State Education Commission, would stay on.

Beijing Mayor To Replace Party Chief

HK0408040292 Hong Kong THE STANDARD
in English 4 Aug 92 p 5

[By Cheung Po-ling]

[Text] Hardline party chief of Beijing city, Mr Li Ximing, will be given a leading post to oversee the mammoth Three Gorges project as a compensation for the reshuffle endorsed in the forthcoming party congress.

Mr Li's transferral is only part of a major reshuffle that will take place in the leadership of Beijing municipality, Chinese sources said.

Sources said yesterday that Mr Li would be replaced by Beijing Mayor Mr Chen Xitong in the last quarter of this year and Mr Chen would be, in turn, succeeded by Mr Luo Gan, the Secretary-General of the State Council.

They added the authorities had planned to transfer Mr Li to a supervisory role over the Three Gorges hydro-electric project.

Mr Li, 66, is a member of the so-called "Beijing Faction" of which Premier Li Peng is the figurehead.

A former vice-minister of Water Conservancy and Power, Mr Li had worked closely with Premier Li in the ministry in the late 1970s.

Since Premier Li had placed priorities in the development of the delta in the Three Gorges hydro-electric project, Mr Li was chosen by the State Council for the important job. Party Secretary of Beijing since 1984, Mr Li played a key role in persuading patriarch Mr Deng Xiaoping to adopt strong-armed tactics against student protesters in 1989.

However, during his trip to southern China in last January, Mr Deng criticised more than a dozen leftist cadres for sabotaging reform, including Mr Li.

Although Mr Li had later tried to trim his sails and offered lip-service to the "Deng Line," he was still subjected to severe criticism by the reformist camp.

As a Maoist who even opposes the introduction of foreign funds, Mr Li had fought against economic reforms, saying they might render China capitalist.

Beijing Mayor Mr Chen, regarded to be open-minded on economic matters but conservative on ideological issues, has been considered a successor to Mr Li, sources said.

The mayor is also a candidate to take over Mr Li's politburo membership, which will be rescinded at the 14th party congress scheduled in the last quarter of this year.

Unlike Mr Li, Mr Chen has been quick to throw his support behind Mr Deng's market reforms after the elder's trip to southern China.

Article Cites Chen Yun's 'Divergent' Views

HK3107132392 Hong Kong CHENG MING in Chinese No 178, 1 Aug 92 pp 15-16

[Article by Huang Ching (7806 0079): "Chen Yun Forwards 10 Divergent Views"]

[Text] Chen Yun, who is in Hangzhou, suddenly launched long-distance "attacks" at Beijing at the end of June.

"Ten Views" on Reform and Opening Up Forwarded

Chen Yun wrote a letter to the CPC Central Committee and State Council in which he outlined his views on certain issues in the current efforts in economic construction, reform, and opening up. The letter raised 10 views which were entirely directed at specific targets. The presence of a responsive force within the Political Bureau and State Council may have boosted the letter's effectiveness to a certain extent.

Even though Chen Yun's letter asked the party Central Committee and the State Council to comment on and correct his 10 views, in effect, his letter set out to "settle accounts" related to the "deviations" which appeared in reform and opening up, and was directed at Deng Xiaoping's line on reform and opening up.

Chen Yun's 10 views are as follows:

Emphasis on Socialism's "General Direction"

1. The reform should have a general and class-oriented direction and this should be well understood and its objective well-defined. Crossing the river by touching stones will not work after a while.

2. When we call for the emancipation of the mind and for greater boldness and speed, this should be integrated with a scientific spirit, an attitude of seeking truth from facts, and steadfast work. Failure to integrate these three factors will lead to the opposite direction.

"No Conclusion on the Opening Up to the Outside World Was Made in the Last 13 Years"

3. Opening up is a policy which is also an integral part of the party's basic line. Over the past 13 years, no serious or comprehensive conclusion has been made. Much has been said of the accomplishments and the brighter side, while the corruption, decadence, and decline in moral climate, which have grown and emerged within the party and in society, have been neglected. To allow them to

grow and spread their influence will lead to the destruction of society's foundation as well as the fruits of construction.

4. The work related to the building of special economic zones should first of all involve the summing up of experience. In recent months, a trend marked by the repetitive establishment of special economic zones, economic zones, development zones, and bonded zones has taken shape. It will be harder to wind things down and end this trend once chaos and poor results occur. The central authorities should strengthen their leadership and guidance over this matter.

Asserts Support for Development of Pudong Only

5. I support the development of the Pudong development zone in Shanghai for it boasts of a plan, measures, objectives, and a general direction. The world's capital supply is not endless, and because Pudong relies principally on the "China card," it can avoid being put in a passive position.

6. The country's state enterprises have to undergo reform. But how should reform be carried out, what is to be reformed, and what is the direction of reform? These require a concrete concept and plan. It is thus suggested that certain departments and enterprises be chosen as the starting points. Care must be taken to consider the consequences, or else it will be difficult to pick up the pieces once the undertaking turns messy.

"Iron Rice Bowl" Represents Socialism's Superiority

7. It has been proposed that the "three irons [iron rice bowl, ironclad wages, and iron armchair] be smashed and broken." This kind of wording poses a big problem. The distribution system in a socialist system, right from its initial stage to its higher stage, is the system of "from each according to his ability, and to each according to his work." Because of distortion in the past under an erroneous line, the distribution system turned into "everyone eating from the same big pot of rice." There is nothing wrong with "iron rice bowl" because it is the social system's guarantee offered to employment, work, and the display of one's ability and it represents the system's superiority. Even the capitalist industrial countries have to borrow this.

"Securities Fad," "Shares Fad" Should Be Cooled Down

8. The securities and shares fads should be cooled down. The State Council should intervene in localities which have acted and carried out development along their own lines. Our basic work in this area remains very weak and we are in very short supply of competent personnel. Failure to exercise control will lead to confusion in the financial market and throw the central authorities' work into a passive position.

9. Intensive investigation should be carried out before price controls are lifted. It is necessary to have 80

percent certainty and to provide guarantees to the people's livelihood, particularly to impoverished regions with a slow economic growth pace and poor foundation. Measures should be taken to provide a cushion to low-income families. The lifting of price controls should be delayed in places where problems abound.

"Is the Emancipation of the Mind a Rightist Expression?"

10. Leading comrades at the leadership and local levels should take care to keep a cool head and avoid over eagerness for results. Taking the first step and making the first breakthrough have been understood to mean the emancipation of the mind and the possessing great boldness, but this also is a manifestation of leftist [as published] tendencies which are unscientific, contrary to the law, and are rash actions. At present, it is necessary to pay attention to this kind of widespread rising trend.

Retaliation Against the Reformist Faction

Some people believe that Chen Yun's 10 views greatly expose his conservative viewpoint, that is, his stubborn adherence of Leninist-Stalinist socialism, as well as his new retaliation against the reformist faction. Taking advantage of his position and influence within the party, Chen Yun would either extend his strong support to the "leftist kings and lords" in the Political Bureau and State Council by passing his ideas on to them, or personally go into battle by challenging Deng Xiaoping. Because of the strong conservative influence within the party, the struggle between the Deng and Chen factions is not likely to produce an outcome in the near future.

Dissident To Publish 3 Gorges Project Criticism

HK0408053892 Hong Kong SOUTH CHINA MORNING POST in English 4 Aug 92 p 10

[By Willy Wo-lap Lam]

[Text] Dissident journalist Dai Qing is challenging China's censorship by trying to publish a series of books critical of the multi-billion-yuan Three Gorges project.

Late last month, the authorities displayed some flexibility by acquiescing in the publication of three of her short works.

Since the Tiananmen Square crackdown, Beijing has banned the writings of Ms Dai as well as some intellectuals accused of supporting the pro-democracy movement.

Speaking in Beijing yesterday, Ms Dai, 50, said that while the ban had not been lifted, liberal authors should wage a subtle yet determined crusade to breach the forbidden zones.

A Nieman Fellow at Harvard University since early this year, the award-winning journalist is spending two months in China to conduct research on the Three Gorges project.

Ms Dai said she and other opponents of the project planned to publish a series of books on its detrimental effects.

The first in the series, called Yangtze River, which was published in March 1989, was banned soon after the massacre on the ground that it "abetted the turmoil".

Ms Dai and her colleagues are doing research for the second of the series, entitled Analysis of China's Dams and Reservoirs.

"I am going to Zhengzhou later this week to investigate the Sarmen Gorges project, which has been plagued with problems since the mid-1950s", she said.

"While I was deprived of my status as a reporter, I am still a member of the Chinese Writers' Association and I hope the authorities there will help with my research."

Ms Dai said manuscripts for Dams and Reservoirs should be ready by the end of the month.

"I hope the Guizhou People's Press, which published Yangtze River, should be able to put out the new book," she said. "It will at the same time be published by the China Times group in Taiwan."

Ms Dai, who was imprisoned for 10 months after the June 1989 crackdown, said instead of confronting the authorities head on, she would challenge them to live up to promises they had made.

"Don't the Ministry of Water Resources and other departments say they welcome opponents to the Three Gorges to air their views?" she said.

The journalist added that while in general the atmosphere for writers was still oppressive, there were signs towards the beginnings of a "normalisation of political life."

She said Beijing had recently acquiesced in the publication of a literary anthology called Cats, which contained her novella Snowball.

The journal Outward-Oriented Economics will soon publish her article on the production of cash registers by a mainland-Taiwan joint venture.

Also in the pipeline is an introduction she recently wrote for a collection of prints by Beijing artist Yang Xianrang.

"The authorities have not revoked the ban on my works," Ms Dai said. "But they have practically invalidated it by telling the publisher of Cats that it could exercise its own judgement on whether to print the book."

She also wrote to members of the politburo Mr Li Ruihuan and Mr Qiao Shi to ask for their help in ensuring that Outward-Oriented Economics could publish her article.

Ms Dai said it would be unrealistic to hope the liberal atmosphere of early 1989 could return at one go.

"I'll begin with articles and books the authorities can accept," she said. "Change can be brought about only if both sides start to make a compromise."

Article Views Administrative Reform

HK2907015392 Beijing GUANGMING RIBAO
in Chinese 29 Jun 92 p 3

[Article by Wang Yukai (3076 3768 0418): "On Administrative Reform"]

[Text] With the development of reform in our country, changing and reforming government behavior has aroused widespread attention. In particular, in the ongoing reform aimed at changing the enterprise management mechanisms, various problems in the government's management of social and economic affairs have been further laid bare. In order to meet the needs in the new round of economic structural reform which is developing in depth, administrative reform has become imperative.

First, the relationship between the content of administrative reform and political and economic structural reforms. Administrative reform is a concept with very extensive connotations. Although scholars at home and abroad have given diverse generalizations and interpretations to it, there remain many contradictory opinions. For example, some people took administrative reform as a political process and held that it mainly refers to adjusting the relationship between administrative institutions and other social factors; some people considered it as transforming the organizational structure of administration and the behavior of the administrative personnel; still some people thought that administrative reform refers to the reform of government work; and so on. According to the actual conditions of socialist administration in our country and the reform practice in the last few years, in my opinion, administrative reform mainly refers to the government's purposeful administrative action of changing the organizational structure of administration, improving the form of administrative activities, rationalizing administrative relations, and strengthening administrative functions in order to raise the administrative efficiency and to adapt the state administration to the changing circumstances and to the requirements for the administrative activities. "Administrative structural reform" we used to say mainly refers to change in the organizational structure of administration, that is, the reform of the administrative structure, and it should also be included in administrative reform, or called administrative reform in the narrow sense.

In a country, administrative reform cannot be carried out in an isolated way. It must be closely linked to economic and political reforms under certain conditions. Thus, it is necessary to further clarify the relationship between administrative reform and political and economic structural reform in theory. Generally speaking,

the political structure is the direct expression of the political system of the state. Political structural reform is mainly related to political facilities, political standards, and the operational mechanisms of the state; and the reform objective is to realize political democracy. However, administrative reform, in general, is mainly related to government administration, and the reform objective is mainly to seek higher efficiency. Although administrative reform has close relations with political structural reform and sometimes the two things must be properly coordinated and carried out side by side, there exists a clear line of demarcation between the value objectives and the scope of the reforms in these two aspects. In a certain sense, administrative reform has closer relations with economic structural reform, because the latter is directly related to the structure and form of the government's economic management and can even be regarded as an important component part of administrative reform. Therefore, economic structural reform is often included in the category of administrative reform in foreign countries. Ours is a socialist country, and in many aspects, there are essential differences between our government administration and that in capitalist countries. In particular, public ownership holds the dominating position, and this economic character determines that the government's economic function must hold a prominent position in government administration as a whole. In our country, reform also proceeds from the economic field or from the reform of the economic structure. Thus, it is definitely correct to deal with administrative reform by separating it from economic structural reform.

Second, analysis of the current state of administrative reform in our country. Administrative reform in our country can be traced back to the early years of the PRC. Before the Third Plenary Session of the 11th CPC Central Committee, our country's administrative reform was affected by the structure of the planned economy, and it focused on restructuring the setup of government departments. After the Third Plenary Session of the 11th CPC Central Committee, this state of affairs was changed. In particular, after Deng Xiaoping issued a series of important instructions on reform of the system of party and state leadership, our country carried out substantial reorganization of government institutions in 1982 and 1988 according to needs in the development of the economic structure, and thus greatly advanced administrative reform as a whole. However, according to practice in the last few years, administrative reform has once again become rather imperative and has become a major factor that will have a bearing on the further development of economic structural reform.

First, the objective of separating government functions from enterprise functions has not been achieved yet. Reforming the functional relationship between government and enterprise and establishing the principle of separating government functions from enterprise management and operation was mentioned in the CPC Central Committee's decision on economic structural

reform in 1984. Before the principle of separating government functions from enterprise management and operation was officially adopted, the central leadership begun the work of adjusting power relations between central and local authorities. In order to break the highly centralized structure of administration, the central authorities delegated a range of powers to localities in order to give play to their initiative. At the same time, the central authorities also decided that greater decision-making power should be given to enterprises. After the principle of separating government functions from enterprise management and operation was adopted, the central authorities issued repeated instructions and orders to local governments, requiring them resolutely to delegate management power to enterprises, and also adopted such measures as enacting the "Enterprise Law" and other laws and regulations to guarantee such power devolution. However, in the course of implementation, there appeared some very complicated phenomena. The most important phenomenon was the drastic swelling of local government functions, and this made it very hard for enterprises to actually hold the powers that should have been delegated to them. In some localities, enterprises even had to depend more heavily on local governments. On the one hand, this was because local governments withheld, to varying degrees, the powers that the central government intended to directly delegate to enterprises, thus intensifying their administrative interference in enterprise management and operation. As a result, while the central government was relaxing its control over enterprises through narrowing the scope of mandatory planning, enterprises had to face the increasing pressure caused by planned targets laid down by local governments. Although such planned targets were laid down in the name of guidance, as the local governments held the power to decide personnel appointments and material and financial distribution, enterprises in fact had to treat them as mandatory plans. On the other hand, under the circumstances of local protectionist measures setting up economic barriers between various localities, enterprise efforts to form transregional economic ties among themselves were also constrained by the negative attitude of local governments and by parochial economic interest relations. Plus the influence of such objective factors as the imperfection of the market in the process of transition from the old structure to the new one, some enterprises had to turn to the administrative power of local governments in order to solve the shortage of funds, energy, and materials, and to overcome various difficulties in their routine operation. As a result, enterprises were not pushed into the market, but were further pushed into the administrative protection circle formed by government departments concerned. In such external circumstances, it was inevitable that enterprises would lose the driving force for carrying out effective and substantial internal reforms.

Second, the government's behavior in economic management has not been thoroughly changed. Due to the above-mentioned problem, the government's functions,

means, and forms in economic management were still affected by government behavior as a whole, and did not change markedly. As we know, changes in the government's functions, means, and forms in economic management must be brought about by the changes in government behavior. The essence of such changes is to turn the government's strict "control" over the economy in the past into the government's effective "service." "Control" and "service" in fact represent two different types of government behavior. In the course of reforming the government structure, we explicitly came up with the requirement of transforming government's functions, means, and forms of economic management; stressed the importance of effecting trade management, macroeconomic regulation and control, and indirect management; and also tried to change the practice of managing the economy merely by means of issuing administrative orders and to attach importance to the use of economic, legal, price, and financial means. However, government behavior on the whole has not shifted from the mode of "control" to the mode of "service," and the dislocation of administrative structural reform at different levels and the consequent retardation of the transformation of government functions, plus the fact that administrative reform as a whole lagged behind economic reform for too long, affected the in-depth development of economic reform to a certain degree, and also affected the establishment of a benign mechanism favorable to the existence and development of the socioeconomic cells between the government and the social economy.

Third, the selection of the timing and policy options for our country's administrative reform. The making of any major decision must be based on the seizure of an opportune moment. For administrative reform, the present time is the most opportune moment for taking action. First, at present, reform in our country is developing in depth with an unprecedented momentum. The whole nation from top to bottom, being guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, has begun to boldly carry out a series of experiments in order to make new breakthroughs in the reform movement. Such a general atmosphere of reform and opening has provided a rare opportunity for carrying out administrative reform in a well-planned and orderly way. Second, since the founding of the PRC, especially since the Third Plenary Session of the 11th CPC Central Committee, our country has accumulated rich experience in administrative reform, and such experience will play an important guiding role in promoting our further administrative reform and will prevent us from going awry. Third, reform mainly focused on the transformation of enterprise internal management mechanisms is calling for corresponding reform of government administration. Only with such integrated reform inside and outside can the relationship between government and enterprise be fundamentally changed. This will also have a major bearing on the future development of the large- and medium state-owned enterprises and the socioeconomic management exercised by governments at various levels.

Since the present time is the most opportune moment for carrying out administrative reform in our country, what policy should we select for such reform? In my opinion, the policy option for our country's administrative reform should follow the guideline of "small government, big service" and the principle of coordinating and integrating the reform of the institutional structure, function, and personnel system of the government, thus making advances at different levels in a planned and orderly way. Concretely speaking, the reduction, merger, disbandment, and setup of government institutions must be based on the transformation and adjustment of government functions; the streamlining, reduction, and appointment of the administrative personnel must also be linked with reform of the personnel system. If reform of the institutional structure, government functions, and the personnel system is not properly coordinated, and is just carried out separately, then it will not be possible to achieve the overall effects of administrative innovation, and old problems may even recur. A major lesson that we should learn from our country's previous administrative reforms lies in this point, and it was the major reason for the vicious circle in which institutions swelled again after being streamlined and personnel increased again after being reduced.

In order to quicken the pace of administrative reform, in my opinion, attention should particularly be paid to the following points: First, we should not mechanically understand the guideline of "small government, big service." We stress that the size of government should be small, but this does not mean that the smaller, the better. Instead, the size of governments at various levels should be adjusted to the best according to the needs of socio-economic development and the principle of adapting administrative structure to administrative affairs. Second, we must resolutely break the traditional practice of arranging the function and management departments of local governments at various levels strictly corresponding to the setup of the central government. The government setup can be arranged according to the principle of "elaborate division at the upper level and rough division at the lower level" [shang xi xia cu (0006 4798 0007 4723)] (that is, the central government may more elaborately divide functions and set up more functional departments, but the division of functions and the number of functional departments may decrease among local governments level by level). At present, experience gained from the pilot schemes of the county-level administrative structural reform should be summed up and spread in order that the county-level administrative reform can be carried out across the board. Economic management departments which may be turned into enterprises should all be turned into enterprises and be separated from the government. This will not only cut down on the size of the government and the number of administrative personnel, thus reducing administrative expenses, but will also thoroughly relax control over enterprises and make it easier to push them into the market. Third, in the course of transforming government functions and reforming the organizational

structure of government, it is necessary to adopt the civil servant system and closely combine administrative structural reform with reform of the personnel system. This is imperative because on the one hand, reform of the labor and personnel system in enterprises will bring about an objective requirement for breaking the system of "eating from the same big pot" and the "iron arm-chair" [guaranteed rank] system for the government functionaries. Otherwise, it will be difficult to arouse the work initiative of administrative personnel in the government and to introduce competition and incentive mechanisms. This will then directly affect smooth development of the reform of the labor and personnel system in enterprises. On the other hand, in the past, government personnel in our country could only be promoted and could not be demoted; could only be recruited and could not be dismissed. Governments were thus over-staffed, and too many institutions were set up. Such problems were all related to the personnel system. If the personnel problem is not first solved in administration, and if a set of scientific personnel management system for selection, assessment, award-giving, punishment, training, promotion, and remuneration is not set up fundamentally, administrative structural reform and functional transformation will not really achieve solid results. Therefore, intensively establishing and implementing the civil servant system with Chinese characteristics is undoubtedly as important as structural reform and functional transformation. In view of the current situation in our country, when government functionaries are being turned into civil servants, strict standards and an examination system must be adopted across the board. College and university graduates assigned to government institutions every year should also pass open and competitive examinations before being recruited.

Article Views Criteria for Judging Socialism

HK0308142192 Beijing JIEFANGJUN BAO
in Chinese 15 Jul 92 p 3

[Article by Xu Zhiqiang (6079 1807 1730), Wei Hanxin (7614 3352 9515), and Li Weixing (2621 5898 2502): "Some Thoughts on Criteria for Judging Whether Something Bears Surname 'Socialism' or 'Capitalism'"]

[Text] On the issue of criteria for judging the nature of reform, Comrade Deng Xiaoping has said several times in the past and once again during his inspection tour in the south: "We should primarily assess whether it is favorable to developing the productive forces in socialist society, whether it is favorable to increasing the comprehensive national strength of the socialist country, and whether it is favorable to enhancing the people's standard of living." Deeply understanding these three points of "favorability" is of great necessity for further emancipating the mind and taking an active role in reform.

The Three Points of "Favorability" Give Concrete Expression to the Practice Criterion and the Productive Forces Criterion for the Issue of Social Reform

Practice is the sole criterion for testing truth. In the field of social history, the final analysis holds that the practice criterion is the productive forces criterion. To judge whether a theory or principle is correct, in the final analysis we should assess whether it hinders or promotes the development of productive forces. The three points of "favorability" put forward by Comrade Deng Xiaoping are based on social production practice. In September 1978, Comrade Deng Xiaoping explicitly pointed out: "According to the viewpoint of historical materialism, the fruits of correct political leadership should, in the final analysis, find expression in the development of social productive forces and in the improvement of the people's material and cultural lives." In October 1979, he further pointed out: "Whether something promotes or hinders the realization of the four modernizations should be taken as the fundamental criterion for distinguishing right from wrong in every aspect of our work." This criterion not only adheres to the principle of Marxist epistemology, but also adheres to the principle of developing productive forces, which is the quintessence of historical materialism. It embodies the unity of Marxist epistemology and the Marxist outlook on history. The three points of "favorability" give more accurate, more comprehensive, and more concrete expression to this criterion.

Socialist reform is an unprecedented goal, and is also a complicated and tortuous process. It is difficult to definitively judge in advance the nature of new things that appear in the course of reform. If everything must first go through debates to pass the test determining its nature, then we will not accomplish anything at all. The only method is to subject new things to the test of practice. Therefore, since the Third Plenary Session of the 11th CPC Central Committee, our party's policy on the adoption of reform measures has been to permit experiments and observation, while resolutely making trials and boldly leaping forward. The conclusion about whether something bears the surname "socialism" or "capitalism" should be made after the experiments rather than before. At the beginning of the reform effort, some people held different opinions on the measure of adopting the household output contracts in the countryside and said that "this just takes us back to the pre-liberation situation after 30 years of hard work." The party central leadership supported this experiment, and it achieved conspicuous successful results. In a period of three years, it was put into practice throughout the country and brought about a major development in the rural economy and a substantial improvement in the people's livelihood. In 1990, per capita income increased by 372 percent over that in 1978. Practice has shown that the responsibility system linked to household output contracts on the basis of public ownership over land bears the surname "socialism" rather than "capitalism." From the very beginning, there have been different opinions about the running of the special economic

zones, and some people were worried that this might lead to the practice of capitalism. Through several years' practice, the construction of the special economic zones has proven successful. Take Shenzhen as an example. It was just a little backward border town more than 10 years ago, but it has now become a modern city that impresses every visitor. In 1990, Shenzhen's production reached 13.5 billion yuan, which was 49 times as much as that in 1980; its per capita output value increased from 825 yuan to 6,861 yuan—8.2 times higher. The three types of foreign-funded enterprises in Shenzhen contributed approximately one-third of the entire city's social income. At the same time, the public economy retained the dominant position, while foreign investment accounted for only one-fourth of the total. As Comrade Deng Xiaoping pointed out, Shenzhen's achievements in economic construction give an explicit answer to the question of whether the special economic zone bears the surname "socialism" or "capitalism."

The Three Points of "Favorability" Are Raised According to the Nature of Socialism

China can only take the socialist road; this has been determined by modern China's specific historical conditions. Therefore, the fundamental orientation and objective of our reform and opening must adhere to socialism. Comrade Deng Xiaoping's three points of "favorability" were raised precisely according to the nature of socialism, so they provide the criterion for judging whether something bears the surname "socialism" or "capitalism."

The main point of the nature of socialism is to emancipate and develop productive forces, and this is also our party's fundamental task in building socialism. Comrade Deng Xiaoping once explicitly pointed out: "Poverty is not socialism," and "the fundamental task in the stage of socialism is to develop productive forces." Reform seeks to fundamentally change the old systems that hinder the development of productive forces and thus hinder their emancipation and development as well. In this sense, "whether being favorable to the development of productive forces in socialist society" is the primary criterion for judging the nature of reform. If reform does not promote and instead damages productive forces, then such reform cannot be called socialist reform.

The objective of our efforts is to increase the comprehensive national strength of the socialist country, and this increase is the comprehensive effect of many factors. National strength includes natural strength, economic strength, scientific and technological strength, educational strength, political strength, military strength, and social cohesive strength. Our party's basic line specifies that the objective of our efforts is to build a strong, prosperous, democratic socialist country with a high degree of civilization, and this includes the three aspects of economic development, democratic politics, and spiritual civilization. Although economic growth is of fundamental significance for increasing comprehensive national strength, it is not the only factor. Without the

coordinated development of other aspects, we will lose the excellent opportunity for economic development. As Comrade Deng Xiaoping said, "without democracy, there will be neither socialism nor socialist modernization"; "without strengthening the construction of spiritual civilization, material civilization may be damaged and may go awry." He also said: "If public conduct gets worse, what good is it to be successful in economic development? Deterioration in other aspects may lead to economic deterioration, and the worsening of things may give rise to a world where corruption, stealing, and bribery run wild." We should avoid the evils appearing in the process of developing productive forces under the capitalist system. Therefore, taking the point of "whether being favorable to the increase in the comprehensive strength of the socialist country" as a criterion for judging the nature of reform also gives expression to the essential requirement of socialism.

Another aspect of the nature of socialism is the elimination of exploitation and polarization and the eventual realization of common affluence. Capitalism does attach importance to the development of productive forces, but the fruits of the development of productive forces mostly drop into the purses of a very small number of people, and polarization between the rich and the poor is an important characteristic of capitalist society. Socialism attaches more importance to the development of productive forces, but the fruits of this development are enjoyed by the entire people and will eventually lead to common affluence. Therefore, to judge the nature of reform, we not only should see the fundamental point of whether it is favorable to the development of productive forces, but we should also see to whom the fruits of this development belong. That is to say, only when the development of productive forces is beneficial to the enhancement of the people's living standards can reform be considered socialist in nature. At present, the productive forces in our country are still not developed enough, and there is still disparity between different localities. It is a process to achieve common affluence. Therefore, our country's policy allows some localities and some people to get rich ahead of others, and this seeks to use the example and strength of the localities and people who get rich first to support and bring along poor and undeveloped localities, thus eventually enabling the entire people to get rich together. Such practice not only fully meets the essential requirement of socialism, but also is in line with our country's specific national conditions. So it is completely correct.

The three points of "favorability" constitute a complete body, which is based on the unity between productive forces and relations of production and between the economic base and the superstructure. Among them, the point of "whether something is favorable to the development of productive forces in socialist society" is the core. The country's prosperity and power, the people's affluence, the flourishing of education, science, and culture, the consolidation and development of public ownership and the people's democratic government—in

a word, the full display of the superiority of the socialist system—is contingent, in the final analysis, on the development of productive forces. The point of "whether something is favorable to the enhancement of the people's living standards" stresses, based on relations of production and especially on the purpose of production, that reform must be in line with the nature of socialism. This undoubtedly includes maintaining the improvement of the public ownership system over the means of production and the system of distribution according to work, because public ownership and distribution according to work are the conditions for realizing common affluence. The point of "whether something is favorable to increasing the comprehensive national strength of the socialist country" stressed the need to raise the country's overall strength on the basis of developing productive forces, and this includes the need to guarantee and give expression to the socialist nature of reform in the superstructural aspect. Socialist democracy and the socialist spiritual civilization are not only our goals, but are also the necessary conditions for emancipating and developing productive forces and realizing common affluence. Therefore, the three points of "favorability" not only give concrete expression to the practice criterion and the productive forces criterion, but also give expression to the socialist nature from the dialectic unity between the productive forces and the relations of production and between the economic base and the superstructure. Therefore, they represent a norm that must always be observed in the course of reform, and they constitute a scientific criterion for judging the nature of reform.

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The three points of "favorability" put forward by Comrade Deng Xiaoping are directed at opposing rightism and also opposing "leftism." When we are sailing in the sea, as long as we follow the course of these three points, our reform will victoriously advance in the correct direction.

The rightist disturbances mainly come from bourgeois liberalization. People who advocate "total Westernization" in fact want to adopt capitalism. The three points of "favorability" put forward by Comrade Deng Xiaoping explicitly adhere to the socialist orientation of reform. In the first point, he added the seven characters of "in socialist society" to the "development of productive forces." He certainly did not do this casually, but after careful consideration. On many occasions, he stressed repeatedly: "Adhering the socialist orientation in the course of reform is an issue of great importance. We need to realize the modernization of industry, agriculture, national defense, and science and technology, but the four modernizations all follow the four characteristics of 'socialism,' and are called 'the four socialist modernizations.' Our work of enlivening the economy at home and opening up to the outside world is also being done under the principle of adhering to socialism." Similarly, the second point requires that things be "favorable to increasing the comprehensive strength of

the socialist country"; this will never mean that China can be included in the Western capitalist system. The three points require that the fruits of reform must belong to the entire people, and reform must not foster a new exploiting class. The three points of "favorability" give full expression to the unity between adhering to the four cardinal principles and persisting in reform and openness.

Comrade Deng Xiaoping said: China should guard against rightism but should mainly prevent "leftism." This is because "leftism" has deep influence, and the obstacles to reform mainly come from the "leftist" disruptions. In the past years, whenever reform and openness made new advances, they certainly encountered the obstruction of "leftism." "Leftist" thought tries to apply the characteristics of socialism that is to be built on the basis of highly developed productive forces, as envisioned by the founders of Marxism, to the initial stage of socialism where productive forces are still in a backward condition, and tries to take many things which exceed the current level of productive forces, obviously obstruct the development of productive forces, do not bear the essential attributes of socialism or are merely suited to certain special historical conditions as consistent principles of socialism that must be rigidly kept. At the same time, it also holds that everything in capitalist society bears the surname "capitalism" and must not be adopted; even things that exist in all commodity economies and the operation modes and management methods that are in keeping with the norms of socialized mass production are treated in the same way. Otherwise, the adoption of such things may bring about capitalism. Such "leftist" thought in essence is an unrealistic outlook on social development. The three points of "favorability" put forward by Comrade Deng Xiaoping shift people's understanding of socialism from an unrealistic approach to a realistic approach. They show that everything which hinders the development of productive forces goes against scientific socialism; every link in relations of production and in superstructure that hinders the development of productive forces—even though it may have been regarded as "socialist" in the past—must be resolutely eliminated through reform; and all measures, methods, and means that are favorable to the development of productive forces in socialist society, are favorable to increasing the comprehensive national strength of the socialist country, and are favorable to the enhancement of the people's living standards are needed and allowed by socialism. Thus, a clear line of demarcation is drawn between scientific socialism and utopian socialism. It is obvious that socialism cannot be built on the basis of unrealistic imagination; instead, it must inherit all outstanding fruits of civilized human society, the productive forces, especially science and technology, and the ways and means for organizing the socialized mass production created by capitalism. Such things do not have a class character and are not exclusively possessed by capitalism. Socialism has no choice but to stand on the shoulders of capitalism in order to create a

labor productivity much higher than that under capitalism and to eventually achieve the goal of eliminating private ownership and defeating capitalism.

The task of deepening reform and expanding openness calls for the further emancipation of the mind. It is believed that, as people more deeply understand and correctly master the three points of "favorability" raised by Comrade Deng Xiaoping, the pace of socialist reform will certainly be quickened and the steps will be taken more solidly, and our national economy will be raised to a new stage in the foreseeable future.

Wan Li's Recent Activities in Dalian Viewed

Meets PLA Leaders

OW0108020292 Beijing Central Television Program
One Network in Mandarin 1100 GMT 30 Jul 92

[From the "National News Hookup" program]

[Text] [video shows Wan Li shaking hands with personnel in military uniform at an outdoor gathering] To celebrate the 1 August People's Liberation Army's (PLA) founding anniversary, Chairman Wan Li of the standing committee of the People's Congress national committee warmly received leading comrades of the Army, Navy, and Air Force units stationed in Dalian on 29 July in Dalian. He urged the units stationed there to do a good job in safeguarding border security along the coast and to serve as escorts for implementing the policy of reform and opening up to the outside world. [video shows Wan Li posing for group photograph with military personnel]

Views Oil Tanker Launching

OW0108020492 Beijing Central Television
Program One Network in Mandarin 1100 GMT
31 Jul 92

[From the "National News Hookup" program]

[Text] [video shows still of Dinghe oil tanker and still of Wan Li at the launching ceremony] The 60,000-tonne Dinghe oil tanker built by Dalian shipyard for Guangzhou Shipping Bureau was successfully launched today. Chairman Wan Li of the standing committee of the People's Congress national committee attended the launching ceremony. The building of Dinghe, an oil tanker with a higher degree of automation, was commissioned by Guangzhou Shipping Bureau for the purpose of carrying oil from the northern region to the south. [video shows Dinghe pulling out of the dock]

Song Jian Hails Formation of 'Research Committee'

OW0108050192 Beijing Central People's Radio
Network in Mandarin 2230 GMT 30 Jul 92

["News and Press Review" program]

[Text] The Social Sciences Society of China's population and environmental research committee formed by scholars and experts of various disciplines was inaugurated in Beijing recently.

State Councillor Song Jian pointed out that population, resources, and environment are the three major challenges faced by China; they must be treated as basic science for research purposes. Scholars and experts of various disciplines should jointly carry out cooperation and research efforts to develop the sciences and at the same time provide to the party and the government the basis for formulating strategic policies.

Law To Boost Economy in Ethnic-Minority Areas

OW0108080992 Beijing XINHUA in English
0712 GMT 1 Aug 92

[Text] Beijing, August 1 (XINHUA)—China is improving the laws and regulations concerning the economic and technological sectors in the areas inhabited by minority nationalities, in a bid to promote economic development in these areas.

According to today's PEOPLE'S DAILY, since 1984, when China endorsed the "law on regional autonomy for China's minority nationalities," all the autonomous regions, prefectures and counties have issued nearly 200 rules and regulations to safeguard the legal rights and interests of the minority nationalities.

However, in recent years, the autonomous regions have paid more attention to making laws and regulations concerning the economic and technological sectors in order to keep up with their economic development.

These laws and regulations cover industry, agriculture, commerce, border trade and taxation.

Yunnan and Heilongjiang Provinces and the Guangxi Zhuang and Inner Mongolia Autonomous Regions have issued a series of laws, regulations and legal documents on speeding up opening to the outside world and the construction of border trade zones as well as encouraging foreign investment.

New Regulations on Use of Chinese Characters

OW0108044992 Beijing XINHUA Domestic Service
in Chinese 2255 GMT 30 Jul 92

[Text] Beijing, 31 July (XINHUA)—To standardize the use of Chinese characters in publications—including newspapers, periodicals, books, and audiovisuals—and to eliminate the nonstandardization of the use of characters, the China Press and Publications Administration and the State Language Work Committee have jointly drawn up "Regulations Governing the Use of Chinese Characters in Publications," which will come into effect as of 1 August, in accordance with the state's laws and regulations on press and publications, stipulations concerning the use of Chinese characters, and China's actual conditions.

These regulations are applicable to newspapers, periodicals, books, audiovisuals, and other publications published with the ratification of the state's press and publications administrations.

The regulations noted: Standardized Chinese characters refer to the simplified Chinese characters included in the "General Table of Simplified Chinese Characters" republished by the State Language Work Committee in October 1986 according to the State Council's instruction and the Chinese characters included in the "Table of Modern Commonly Used Chinese Characters" issued by the State Language Work Committee and the China Press and Publications Administration in March 1988. Nonstandard characters refer to the complex forms of Chinese characters being simplified and listed in the "General Table of Simplified Chinese Characters"; the simplified characters listed in the "(Draft) Program for the Second Simplification of Chinese Characters," which was abolished by the state in 1986; the variant forms of characters fallen into disuse by 1955 (not including the 11 analogous simplified characters in the 1986 "General Table of Simplified Chinese Characters" and the 15 characters in the 1988 "Table of Modern Commonly Used Chinese Characters"); the old translations of units of measures eliminated in 1977; self-created simplified characters in the society; and the old character forms discarded in 1965.

The regulations demanded: Characters used on mastheads of newspapers, names of periodicals, book covers (including front covers, back covers, and spines), packaging ornaments of audiovisuals, and advertising materials for these publications must use standardized Chinese characters; the use of nonstandard Chinese characters is prohibited. The text of a publication (including the main body, synopsis, table of contents, copyright registration, and other supplementary articles) must use standardized Chinese characters; the use of nonstandard Chinese characters is prohibited. Newspapers, periodicals, books, audiovisuals, and other publications published for the areas of Taiwan, Hong Kong, Macao, and foreign countries should all use simplified characters if conditions allow. Approval from the China Press and Publications Administration is required if it is necessary to publish versions in complex forms of characters.

The regulations said: The portions that need to be printed in complex or variant forms of characters while collating and publishing classical, calligraphic, and artistic works; books on the academic research in ancient history and culture; reference books of language; and Chinese newspapers, periodicals, books, audiovisuals, and other publications of the areas of Taiwan, Hong Kong, Macao, and foreign countries that are being photolithographed and copied in accordance with laws and with the approval of the relevant state departments are not subject to the aforementioned requirements.

The regulations stressed: When applying for certification to publish, units that wish to publish newspapers, periodicals, books, and audiovisuals must present to the ratifying departments models of written characters for

the names of publishing houses, newspapers, and periodicals for examination and approval for meeting the standards. The design of commonly used Chinese character matrixes for printing and Chinese characters used in computer layout systems and word and information processing systems should also meet state standards and relevant regulations. Approval from the China Press and Publications Administration must be received when it is necessary to use complex forms of characters. Press and publications administrations and language work units are in charge of the supervision and examination of the use of Chinese characters in publications. Units undergoing investigation should not refuse to supply samples of publications needed for the examination.

The regulations also clearly explained some specific problems. Should violations of these regulations be found, press and publications administrations above the provincial level (including the provincial level) will deal with them according to the seriousness of each case.

Military

Report on Provincial-Level Army Day Observances

HK0108080992 Beijing XINHUA Domestic Service
in Chinese 2212 GMT 31 Jul 92

[Text] Beijing, 1 Aug (XINHUA)—On the eve of "1 August," army personnel and civilians around the country enthusiastically held activities related to civilians supporting the Army and giving preferential treatment to families of revolutionary army personnel and martyrs and to the Army supporting the government and cherishing the people in order to celebrate the 65th anniversary of the establishment of the People's Liberation Army.

For days, a pervasive atmosphere of the Army loving the people, the people supporting the Army, and army personnel and civilians uniting to celebrate "1 August" emerged in cities and towns throughout the country. Army personnel-civilians soirees were held Beijing, Tianjin, Shanghai, Nanchang, and other cities where spectacular cultural entertainment was performed. In Shanxi, Jilin, Heilongjiang, Jiangsu, Zhejiang, Anhui, Fujian, Guangdong, Sichuan, Shaanxi, Gansu, and other provinces, leading comrades headed delegations which visited troops in battalion regions, sentry posts along the frontiers, army ports, and airfields, and thanked the troops for their support in the reform and opening up as well as economic construction in the localities. The delegations also listened to the views of the troops concerning local undertakings and presented the officers and men with souvenir items and gifts. In the provinces and autonomous regions of Inner Mongolia, Guangxi, Guizhou, Yunnan, Tibet, Qinghai, Ningxia, and Xinjiang, the people of all nationalities used the most solemn ceremony in their respective ethnic cultures to celebrate this glorious day of the people's army alongside the PLA men, and thanked them for their support and contributions to the accelerated economic construction

in their respective ethnic regions. Commemoration meetings, seminars, and tea parties were held in Hebei, Hubei, Hunan, Hainan and other provinces where the army personnel and civilians celebrated Army Day together and talked about their close, intimate ties.

In carrying out the Army Day activities, all localities and troops discussed the central authorities' demand for further strengthening army-government and army-people unity, summed up their work experience related to civilians supporting the army and giving preferential treatment to families of revolutionary army personnel and martyrs and to the army supporting the government and cherishing the people, commended the advanced units and individuals, and brought about a more flourishing growth of the two-support work under the new situation in reform and opening up. On 25 July, the provincial party committee, provincial government, and military district of Liaoning, along with the army, navy, air force, and armed police troops based in Liaoning jointly held a large meeting to commend 10 advanced units and 30 advanced individuals for their work related to civilians supporting the Army and giving preferential treatment to families of revolutionary army personnel and martyrs and to the Army supporting the government and cherishing the people. Tianjin and other places also held a big summing up and citation meeting to mark the tenth anniversary of the Army-people joint construction activities, and commended a number of model units engaged in the two-support and joint construction endeavors. On 28 July, Shandong convened a provincial meeting to commend advanced units and individuals in national defense education and cited 56 advanced units and 156 advanced individuals. Meanwhile, a big conference was held jointly by the provincial party committee, provincial government, and military district of Henan Province, where cities and counties including Zhengzhou, Kaifeng, and Tongbo were named "two-support model cities (counties)" while a number of Henan-based troops were decorated as "models on support of government and love of people."

Throughout the Army, the troops held colorful and varied activities to celebrate the people's Army Day. The officers and men are determined to use practical action to serve as escorts for the reform and opening up and for the economic construction as a way to thank the local governments and people for their care and concern. The officers and men from the Nanjing military region who are taking part in the comprehensive renovation projects on the viaducts of the Chang Jiang bridge and the Bund in Shanghai carried on with their work intensively in the summer heat at daytime, but at night, they held all kinds of commemoration activities like singing contests to inject an air of festivity in the work sites. Meanwhile, the thousands of officers and men who are engaged in the Hei He diversion projects in Xi'an, oil exploration in western China, and the construction of Nieuwe remained in the work sites during the festival period. They were therefore very touched when local party and government leaders visited them at the work sites to extend their

greetings. Leaders of the different troops belonging to the Chengdu military region held a seminar with local party and government leaders where they discussed means to accelerate reform and opening up as well as to revive the economy of the southwest, and expressed their determination to support local economic construction even more enthusiastically and to contribute to the transformation of the features of the southwest.

Guangdong Governor Greets Troops

HK3107120892 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 27 Jul 92*

[Text] A provincial party committee and government delegation headed by Governor Zhu Senlin extended warm Army Day greetings and appreciation to both the provincial military district troops and other troops stationed in Zhanjiang on 24-25 July.

During their two-day activities, the delegation members listened to reports given by people in charge of the Zhanjiang Military Subarea and the Zhanjiang city government on their work of supporting the army and providing preferential treatment to families of revolutionary army men and martyrs as well as supporting the government and cherishing the people [double support] and presented shirts, television sets, and karaoke video recorders as gifts to the Zhanjiang-stationed troops.

Despite a heavy rain, the delegation also watched a military parade staged by the People's Liberation Army [PLA] Navy South China Sea Fleet and went to Laozhu Island to extend festival greetings and appreciation to both officers and soldiers of the island garrison as well as officers and soldiers guarding a naval telecommunications station on the island.

Zhu Senlin made a speech to all the troops stationed in Zhanjiang in which he said: For many years, the PLA troops stationed in our province have given unreserved support to Guangdong's economic construction, safeguarded Guangdong's social stability, and made important contributions to Guangdong's overall development, especially Guangdong's industrial development, while successfully accomplishing their military tasks, such as war preparation, military training, patrols, and so on. We are now treasuring more than ever before the fish-water relationship between the troops and the local people, for such a relationship has been built with our joint efforts. We will exert our utmost to push Guangdong's double support work onto a new stage.

Hainan Holds Film Reception

HK3107121292 *Haikou Hainan People's Radio Network in Mandarin 2300 GMT 23 Jul 92*

[Text] This evening, the Hainan provincial military command held a film reception at the Hainan Film Company's (Yilong) Film Palace to mark the 65th founding anniversary of the People's Liberation Army and of the (Qiongya) Column.

Present were provincial party, government, and military leaders Deng Hongxun [provincial party committee secretary], Liu Jianfeng [governor], Yao Wenxu, Bao Keming, Wei Zefang, Xiao Xuchu, Gong Pingqiu, et al.

Major General Gong Pingqiu, political commissar of the provincial military command, delivered a speech at the reception, stressing: The care and support given by party committees and governments at all levels and by the broad masses of the people are indispensable to the eye-catching achievements made by locally stationed army units since Hainan was declared a province and special economic zone. Paving the way for reform and opening up and economic development is our army's unshirkable sacred duty. We must carry on and display our fine tradition of supporting the government and cherishing the people, regard construction of the special economic zone as our own responsibility, and make fresh contributions in this regard.

Shown at the film reception was a historic documentary film, *A Gigantic War on Hainan Island*.

Liaoning Secretary Commends Officers

SK0108125292 *Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 30 Jul 92*

[Text] On 30 July, Quan Shuren, secretary of the provincial party committee; and Yue Qifeng, governor of the provincial government, guided an Army-Day support group composed of leaders of the province and Shenyang city to extend regards to the officers and men of the organs under the Shenyang Military Region.

At the headquarters of the Shenyang Military Region, leading comrades of the province and Shenyang held talks with Liu Jingsong, Song Keda, Shi Baoyuan, (Tong Baocun), Ai Weiren, and (Wu Jiaming), leaders of the Shenyang Military Region.

On behalf of four million people of various nationalities across the province, Quan Shuren first extended festive greetings to the comrades of the leading organs under the Shenyang Military Region and all commanders and fighters of the Army, Navy, Air Force, and armed police forces stationed in Liaoning.

Quan Shuren said: Over the past years, leading organs of the army units stationed in Liaoning have sincerely done solid work in supporting the government and cherishing the people. We may say that each and every key project in Liaoning and the province's disaster-fighting and emergency-dealing work are permeated with the deep feeling and sweat of the vast number of officers and men of the army units stationed in Liaoning. The army has made outstanding contributions to the economic construction and the development of various social projects in Liaoning. We express heartfelt thanks to the People's Liberation Army [PLA].

Governor Yue Qifeng said: Over the past years, the province has made rapid progress in the work of supporting the army and giving preferential treatment to the

family members of revolutionary martyrs and servicemen. They have also made progress in supporting the government and cherishing the people. This year, the army units and the localities should conscientiously implement the guidelines of Comrade Deng Xiaoping's speeches made during his inspection in Southern China, emancipate the mind, change their concepts, strengthen the unity between the army and the people, pool the joint efforts of the army and the people, and contribute to the economic development and the national defense construction.

Liu Jingsong, commander of the Shenyang Military Region; and Song Keda, political commissar of the region; said: There are more PLA units stationed in Liaoning. For a long period of time, the PLA units stationed in Liaoning have enjoyed the great support of the governments at various levels as well as all people of the province. We will never forget the deep feeling of the people in Liaoning, our second home town. From now on, we should educate the officers and men of the PLA units to accurately treat the local reform, consciously serve and be submitted to the overall situation of economic construction, and [words indistinct] to Liaoning's economic construction, reform, and opening up.

Also joining the support group were some leaders of the province and Shenyang city. They included Sun Qi, Ge Qifan, Zhang Guoguang, Xu Wencai, Yu Xiling, Wen Shizhen, Zhang Rongmao, Shen Xianhui, and Wu Disheng.

Economic & Agricultural

Enterprise Groups' Development Enters 'New Stage'

OW2907055492 Beijing XINHUA Domestic Service
in Chinese 0901 GMT 28 Jul 92

[By reporter Chen Meifeng (7115 5019 7685)]

[Text] Changchun, 28 July (XINHUA)—This reporter learned from the just-concluded second national seminar on strategies for the development of enterprise groups: After 10 years of building and fostering, enterprise groups in our country, set up on the basis of lateral economic ties, have now entered a new stage of improvement and development.

According to statistics, the number of enterprise groups in the country has risen from over 1,600 in 1990 to more than 2,500 at present, 431 of which are enterprise groups consisting of more than three key, medium-sized, and closely integrated enterprises each. The State Council has for the first time designated 55 of them as experimental state enterprise groups. These enterprise groups are playing an increasingly noticeable role and displaying strong vitality in national economic construction and the development of an export-oriented economy.

Enterprise groups have developed very rapidly in more economically developed coastal areas. Enterprise groups in Guangdong, Shanghai, Jiangsu and Shandong alone

account for 47.1 percent of the country's total. As far as trades are concerned, machinery, electronics, light industry, and textile enterprise groups constitute 65.4 percent of the country's total. Enterprise groups are now gradually developing into metallurgical, energy, construction, chemical industry, communications, raw material, and other fields; meanwhile, they are also gradually developing in the direction of integrating agriculture, industry, and commerce or trade, industry, and agriculture in rural and urban areas.

Facts show that enterprise groups, springing up vigorously to meet the objective requirements of our socialist commodity economy, have made full use of their favorable conditions in optimizing the enterprise structure, organizing specialized production, and developing an appropriate-scale economy. The No. 1 Automobile Enterprise Group originally planned to build a factory with an annual production capacity of 60,000 light motor vehicles. At the same time, Jilin and Changchun cities were also planning to develop light motor vehicles. Through close association, the No. 1 Automobile Enterprise Group reorganized four factories in the two cities and transformed them into specialized production. Then, the enterprise group and the four local factories jointly built a production system, saving 200 million yuan in investment. In 1991, the No. 1 Automobile Enterprise Group merged the four local factories into itself with compensation by "taking over their debts and compensating them for their operations." Thus, a central enterprise integrated itself with four local ones in assets and management. By so doing, the No. 1 Automobile Enterprise Group strengthened itself and sped up the construction of a base for the production of light motor vehicles.

Enterprise groups in our country are engaged in scientific research, development, production, and marketing themselves. This has effectively promoted the combination of science, industry and trade, and the formation of comprehensive, multi-functional enterprise groups and has radically changed extensive management to intensive management. The China Light Motorcycle Group, set up in 1988 and with the Jinan Light Motorcycle Factory as its mainstay, is an inter-regional and inter-departmental enterprise consisting of 191 units engaged separately in scientific research, designing, production, management, foreign trade, and financial service. Starting from a high standard, this group has developed, produced and marketed a series of light motorcycles on a fairly large scale. It has developed from a single-product production to five series and 21 varieties of products, and its annual productive capacity has increased from 50,000 motorcycles to more than 300,000 motorcycles. Now its products sell in the 30 provinces, municipalities and autonomous regions of the country.

Participation in international market competition and transnational operation is another favorable condition displayed by enterprise groups in our country. In recent years, relevant state departments have adopted a series of policies and measures to support enterprise groups in

developing an export-oriented economy. A number of enterprise groups with the power of engaging in import and export trade rapidly responded to the fast-changing international market and lost no time in turning out high-quality, highly finished, and sophisticated products. Take Shandong for example, the taxes paid and profits delivered by the province's 141 enterprise groups in 1991 accounted for 49.7 percent of its total, and their foreign exchange earnings constituted 23 percent of its total.

National Meeting on Revamping Enterprises Opens

*OW0308214192 Beijing XINHUA Domestic Service
in Chinese 0854 GMT 3 Aug 92*

[By RENMIN RIBAO reporter Zhang Guorong (1728 0948 2837) and XINHUA reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 3 Aug (XINHUA)—A national meeting on transforming the operational mechanisms of enterprises opened in Beijing today. The meeting is being held mainly to study and discuss how to implement "Regulations on Transforming the Management Mechanisms of State-Owned Industrial Enterprises."

Wang Zhongyu, deputy director of the State Council Economic and Trade Office, presided over today's meeting. At Premier Li Peng's instruction, he first conveyed to the conferees important relevant instructions from Jiang Zemin, General Secretary of the CPC Central Committee: Many years of practice shows that it is not an easy task to improve large and medium-sized state-owned enterprises, but we must resolutely perform the task well. The State Council formulated the "Regulations" under an excellent situation in which Comrade Deng Xiaoping's important talks made during his southern China inspection tour are being studied and implemented. Party and government departments at all levels are urged to continue to emancipate their minds, change the government functions, and truly give operational autonomy to enterprises.

The "Regulations on Transforming the Management Mechanisms of State-Owned Industrial Enterprises" signed and promulgated by Premier Li Peng and based on the line, principles, and policies laid down since the Third Plenary Session of the 11th CPC Central Committee, as well as the experience of enterprise reform and the "Enterprise Law," have concretely stipulated purposes, goals, and policies for transforming the management mechanisms of enterprises. They comprise an important code of conduct for accelerating the development of the socialist commodity economy and deepening enterprise reform.

To enhance the conferees' understanding and promote the implementation of the "Regulations," Wang Zhongyu emphatically pointed out at the meeting that an urgent task in current enterprise reform and economic restructuring is to understand thoroughly the "Regulations," implement them in an all-round way, accelerate

the transformation of the management mechanisms of enterprises, and push enterprises into the market. He called on the conferees to study the "Regulations" even more seriously, implement them comprehensively and accurately, and do a good job in transforming the management mechanisms of enterprises in consideration of reality. Hong Hu, vice minister of the State Economic Restructuring Commission, briefed the conferees on the drafting, legislative basis, and major contents of the "Regulations." He discussed six questions: 1) the guiding principles and primary basis for formulating the "Regulations"; 2) purposes and goals of transforming the management mechanisms of enterprises; 3) the management authority of enterprises; 4) the sole responsibility assumed by enterprises for their own profits and losses; 5) changes in and termination of enterprises; 6) and the relationship between enterprises and the government.

The meeting is being held with the approval of the State Council, and it is co-sponsored by the State Council Economic and Trade Office and the State Economic Restructuring Commission. Those attending the meeting include responsible comrades of the economic committees, economic restructuring committees, and legislative affairs bureaus of all provinces, autonomous regions, municipalities, and cities with provincial status in state planning, as well as responsible comrades of the State Council departments concerned.

Auditors Urged To Follow State-Firm Regulations

*OW0308214292 Beijing XINHUA Domestic Service
in Chinese 0836 GMT 3 Aug 92*

[Text] Beijing, 3 Aug (XINHUA)—The State Auditing Administration issued a circular on 1 August, calling on auditing organs at all levels and their personnel to further emancipate their minds, strengthen and improve the auditing work, and seriously implement "Regulations on Transforming the Management Mechanisms of State-Owned Industrial Enterprises."

The circular points out: It is necessary to perform auditing work according to the law and to protect the management autonomy of enterprises. Audits by organs at all levels should be conducted according to government regulations. They should also inspect the truthfulness of reports on assets and liabilities, as well as the truthfulness of reports on profits and losses, and they should check whether enterprises' distribution of capital funds conforms to government provisions. The auditing organs shall not interfere with the management autonomy of enterprises. Generally speaking, they shall not redundantly inspect accounting and tax matters subject to inspections by finance and taxation departments; however, they may audit accounts in a selective way if important problems are discovered. It is necessary to investigate and punish unauthorized apportionment to protect the legitimate rights and interests of enterprises. Auditing organs at all levels should, according to law, promptly handle complaints lodged by enterprises against some departments and organizations that make

unauthorized apportionments of manpower, material, or financial resources. If such apportionments are discovered during auditing, the departments and organizations involved should be seriously disciplined and asked to return the apportioned money. If the violation is serious, the personnel to blame should be reported to the department responsible for disciplinary action.

The circular points out: It is necessary to thoroughly audit the books of enterprises, particularly large and medium-sized state-owned enterprises that suffer serious losses or drastic declines in profits. In addition to auditing the accounts, the auditing organs should also inspect the internal control system and economic efficiency of enterprises and, if necessary, make recommendations on improving the internal control systems and economic efficiency. Auditing organs should help enterprises improve their internal auditing system and self-restraining management mechanisms. Auditing organs should study macroeconomic management, help improve the external conditions of enterprises, make great efforts to develop auditing offices, and provide social services to enterprises.

State Firms Urged To Rely on Competition

HK0208030292 Beijing CHINA DAILY in English
1 Aug 92 p 4

[Report: "Competition Essential To Reviving Government Firms"]

[Text] To revive themselves and maintain a leading role, State- and collective-owned commercial enterprises must rely on competition and further reform, He Yang, vice-director of the Beijing Municipal Commission for Restructuring the Economic Systems, wrote in the Reform Times newspaper (July 17).

The current situation of these enterprises is not encouraging, He said.

Compared with 1978, the State-owned economy's proportion of retail sales dropped from 54.6 percent to 39.6 percent and that of the collective-owned economy from 43.3 percent to 31.7 percent.

During the same period, other economic sectors increased their market share from 2.1 percent to 28.7 percent.

To maintain their leading role, State- and collective-owned commercial enterprises must participate in market competition and not depend on administrative protection, He said.

This, he added, is an objective requirement of the socialist market economy.

A decade of reform has also made it impossible to resort to administrative protection for a State monopoly in commerce, He continued.

To participate in market competition, however, State- and collective-owned commercial enterprises have their own advantages. They have good equipment, sufficient funds, personnel, sales channels, information and credibility.

If these advantages can be fully used and if departments concerned can give proper guidance, they can get the upper hand in competition, He said.

But at the same time, these enterprises are plagued by many disadvantages: outdated thinking, systems and organizational structures.

State and collective-owned enterprises will lose out to competition if they don't have an ongoing and comprehensive overhaul, He said.

First, these enterprises must change their mentalities. They must adapt themselves to a market economy rather than a planned economy.

They must realize that they won't hold onto their leading role if they cannot compete. They must enter the market and struggle for survival.

Second, it is important to design a development strategy which suits the market economy.

Consumption varies. China's commercial enterprises should adopt management styles to suit their particular situations.

Third, reform of the property rights system is key to changing the operating style of State- and collective-owned enterprises.

Reform of the property rights system in essence is to reform the shape of public ownership and make it suit the demands of the socialist market economy.

Radio Launches Contest on Enterprise Reporting

OW0108020392 Beijing XINHUA Domestic Service
in Chinese 1310 GMT 31 Jul 92

[Text] Beijing, 31 July (XINHUA)—To exchange experiences in invigorating large- and medium-sized enterprises and actively accelerate the pace of enterprise reform through nationwide economic publicity, the Central People's Radio Network's economic department and Yunnan's Yuxi cigarettes plant have cosponsored an essay contest, entitled "Reports From Enterprises," beginning today and lasting through the end of September.

The purpose of the essay contest is to harness the enthusiasm of newspaper reporters and correspondents stationed in enterprises in collecting, writing, and recording new measures, experiences, accomplishments, and techniques practiced by enterprises in the torrent of reform, thereby arousing an interest among people in various circles to comment through radio broadcasts. Essays entering the contest should be written in the form of radio newsletters, reports with portions recorded, or

commentaries. Prizes will be awarded to 40 essays, which will be aired on the Central People's Radio Network's "Economic Life" program.

BOC To Expand Asia-Pacific, CIS Business

HK0208040592 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 2-8 Aug 92 p 1

[By Ren Ken: "Bank of China Creates Foreign Affiliate System"]

[Text] The Bank of China [BOC] will speed up its establishment of overseas affiliates to give China's foreign trade a strong push and raise money for domestic construction projects.

The bank's expansion plan has targeted the Asia-Pacific region while much attention also is being paid to the former Soviet republics and Latin America, said Bai Shizhen, general manager of the bank's international department.

The bank's plan also covers Europe and North America to cope with the emerging European common market and confirm its foothold in world's [as published] major financial centres, she said.

Analysts said the expansion of the bank's overseas presence is an important step in the Chinese banking sector's plan to improve its links with the rest of the banking world.

Bank of China is a state-run bank specialized in foreign exchange and trade-related business. At present, most overseas subsidiaries of Chinese banks are owned by the Bank of China, which now covers 14 countries and regions. But other Chinese banks are now being encouraged to open overseas subsidiaries and they are enthusiastically expanding their operations outside China.

In the Asia-Pacific region, the bank will start its expansion plan first in South Korea, where a representative office is expected to be set up in Seoul by the end of this year.

Earlier this month, the Korean Exchange Bank established a Beijing representative office.

The representative offices will pave the way for the development of bilateral trade and economic co-operation, which have been developing quickly in recent years.

Following the Seoul office, the bank is considering setting up office in Hanoi of Vietnam to boost the border trade between the two countries. Trade along the border has been booming since the two countries normalized their relations last September.

Bai said the bank's offices are also expected to emerge in other Southeast Asian countries including Indonesia, Thailand and Malaysia.

The bank's attempt to expand links within the Asia-Pacific region is inspired by the region's high economic growth.

Moreover, many overseas Chinese are living in those countries and regions, which may create a better atmosphere for the bank to conduct its business there.

Meanwhile, the economic relations between China and Southeast Asian countries have improved greatly in recent years, which have eased the way for the bank's presence in those countries.

To back Chinese firms expanding trade with the former Soviet Union republics, Bank of China will open its Moscow subsidiary in the near future, followed by the establishment of branches in other republics of the Commonwealth of Independent States (CIS).

The bank sent a delegation to visit eight CIS nations in March to establish links with CIS banks.

Bai said the bank is seeking break-throughs in the Latin American countries as well. The bank has only a representative office in Panama so far.

The bank sent a delegation to Mexico and South America to conduct a feasibility study for setting up offices there.

These offices will help China fulfill its trade diversification plan, which aims to boost China's foreign trade with countries in Asia, Africa, Latin America and Eastern Europe.

Bai said Bank of China will also open a representative office in Rome soon to meet the future challenge of the unified European market.

In the North America, which has been the bank's major foothold, the bank will upgrade the representative office in Toronto of Canada to a subsidiary.

Tian Jiyun Urges Less State Intervention

HK3107033592 Hong Kong CHING-CHI JIH-PAO in Chinese 30 Jul 92 p 3

[By staff reporter Li Feng (2621 7364): "In His Speech Delivered to a Restricted Audience in Shenzhen, Tian Jiyun Urges State Enterprises To Pursue a Market Economy"]

[Text] State Council Vice Premier Tian Jiyun, well known for his recent boldness in speaking, stayed in Shenzhen before visiting Hong Kong the middle of this month and delivered a speech to a restricted audience of Shenzhen City party and government leading cadres, talking mainly on how large state enterprises should pursue a market economy using Shenzhen's experience as a reference. He said: Large state enterprises should also follow the road of the market economy, and market regulation is not necessarily surnamed "capitalism." Shenzhen, for instance, is basically practicing market

regulation, but can we not call it socialist Shenzhen? He also said: The more rigidly and excessively we administer state enterprises, the poorer their performance will be. We should interfere in them less and let them enter the market freely.

During his stay in Shenzhen, Tian Jiyun listened to the briefing of the Shenzhen City party committee leading comrades on the study and implementation of Deng Xiaoping's remarks during his south China tour, and the development of reform, opening up, and economic construction in Shenzhen in the first half of this year. He also visited the Shenzhen Nonferrous Metal Exchange, Pingan Insurance Corporation, Wanan Minimotor Company Limited, Huizhong Chemical Fiber Company Limited, and other enterprises.

Speaking of how state enterprises should pursue the market economy, Tian Jiyun said: Now people say that it looks as if the government wants to push enterprises into the market. It seems inappropriate to put it this way. We should guide enterprises to move by themselves toward the market. If we tie up their arms and legs, how can they compete? Why are self-employed households so energetic? It is because their arms and legs are not tied. State enterprises have much better conditions than self-employed households and private enterprises—why do they lack vitality? It is because their arms and legs are tied.

Tian Jiyun also said: Foreign management experience shows that governments do not interfere with enterprises' economic activities, except macroeconomic supervision on such issues as whether they have caused environmental pollution, whether there are fake products, and so on. The most fundamental experience is that they have few interventions from "mothers-in-law." If we really untie the enterprises' "hands," state enterprises would not necessarily be less competitive than individual enterprises. In terms of qualified personnel, funds, equipment, and policies, are state enterprises not in a superior position? When state enterprises can operate independently and dispose of their products freely like the township and town enterprises, everything will then be alright. The government should provide enterprises with policy guidance and exercise macroeconomic control, while "mothers-in-law" should change their professions and do what is appropriate for them.

It is reported that Tian Jiyun's ideas on invigorating state enterprises are similar to those of Zhu Rongji. The "Regulations on Transforming the Operational Mechanism of Enterprises Under Public Ownership" just promulgated by the State Council was studied and formulated on the basis of their ideas. The formulation of the "Regulations" is aimed at enabling state enterprises to really suit the needs of market economy so that they will no longer be "burdens" of the state.

Besides, Tian Jiyun stressed in Kunming yesterday the need to accelerate the opening up and development of the great southwest region and to step up the association

between various provinces and autonomous regions within the southwest region in a bid to promote opening up with cooperation, as well as to promote reform with opening up. He also said that Deng Xiaoping's important remarks should be implemented to the letter and that it would not do to take a hesitating and wait-and-see attitude and thus lose the excellent opportunity.

More on Southwest Coordination Conference

HK3107150092 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 27 Jul 92

[Excerpts] The Ninth Session of the Economic Coordination Conference of Five Southwestern Provinces and Regions and Seven Parties was solemnly inaugurated in Kunming today.

Tian Jiyun, CPC Central Committee Political Bureau member and State Council vice premier, and Yang Rudai, CPC Central Committee Political Bureau member and Sichuan Provincial CPC Committee secretary, attended the opening session.

Various provincial, regional, or city delegations, led respectively by Liu Zhengwei, Guizhou Provincial CPC Committee secretary, Zhao Fulin, Guangxi Zhuang Autonomous Regional CPC Committee secretary, Zhang Xuezhong, Tibet Autonomous Regional CPC Committee deputy secretary, Sun Tongchuan, Chongqing City mayor, Wu Xihai, Chengdu City CPC Committee secretary, and He Zhiqiang, Yunnan provincial governor, attended the session.

Wu Jinghua, State Nationalities Affairs Commission vice minister, Gu Xiulian, minister of chemical industry, Liao Bokang, Sichuan Provincial Chinese People's Political Consultative Conference committee chairman, persons in charge of various CPC Central Committee and State Council departments, as well as representatives of Hunan Province, Guangdong Province, and Hainan Province also attended the session upon invitation.

The session was attended by a total of 267 representatives and specially invited representatives.

Li Peng, Chen Peixian, Yang Rudai, and some other leading comrades wrote inscriptions for the session.

Li Peng's inscription reads: All Southwestern Provinces and Regions Unite To Speed up Reform, Expand Opening up, and Walk Toward Southeast Asia.

Pu Chaozhu, Yunnan Provincial CPC Committee secretary and ninth session chairman, presided over and delivered a speech at the opening session.

Pu Chaozhu said: The ninth session is being held at a time when China's reform and opening up have entered a new development stage. This new situation has infused new vitality and fresh contents into the coordination conference. The border trade development is an effective way of expanding opening up to the outside world. So

long as we follow Comrade Deng Xiaoping's instructions, are bold in exploring and trying out new measures, and advance in a down-to-earth manner, we will certainly be able to open up new vistas for opening up to the outside world and push our overall economic development onto a new stage at an earlier date. [passage omitted]

Yang Rudai, CPC Central Committee Political Bureau member and Sichuan Provincial CPC Committee secretary, also delivered a speech at the opening session in which he stated: The convocation of the ninth session fully attested to the fact that economic and technological coordination among five southwestern provinces and regions and seven parties will enter a new stage marked by expanded opening up resulting from closer association as well as continued exploitation resulting from expanded opening up. The key to southwestern provinces and regions entering Southeast Asia and South Asia lies in closer association as well as correct policies. To this end, an improved communications system is indispensable. We must first and foremost emancipate minds, transform concepts, and be bold in trying out and implementing new measures. This is a common understanding reached by all of us through repeated practice and exploration. Now the state has already designated Yunnan, Guizhou, Sichuan, Guangxi, Tibet, Hainan, and northwestern Guangxi as a large economic zone and has started mapping out an overall development plan for this zone. In my view, only by dismantling interregional and interprovincial barriers, carrying out closer cooperation, and expanding opening up to the outside world in a coordinated way will we southwestern provinces and regions be able to expedite exploitation and rejuvenation of the entire Southwest. [passage omitted]

Liu Zhengwei, Guizhou provincial delegation leader and Guizhou Provincial CPC Committee secretary, and Wang Chaowen, Guizhou provincial delegation deputy leader and Guizhou provincial governor, jointly delivered a speech at the opening session in which they noted: Guizhou is located at the juncture of resource-rich Southwest China and geographically superior South China. Thus Guizhou's economic development is closely linked with the Southwest's economic development. Now we are shouldering unshirkable responsibilities and obligations in making coordinated efforts to promote opening up of the entire Southwest. We believe that an overriding priority at the moment is to improve the existing communications system and circulation channels. [passage omitted]

Zhao Fulin, Guangxi Zhuang autonomous regional delegation leader and Guangxi Zhuang Autonomous Regional CPC Committee secretary, delivered a speech in which he mainly dwelt on such issues as promoting opening up through closer association, pushing ahead with exploitation through expanded opening up, providing more and better services to the Southwest, and building more overseas trade routes at an accelerated pace. He expressed the hope that all southwestern provinces and regions will further strengthen cooperation and

coordination in building more overseas trade routes at a faster pace. [passage omitted]

Zhang Xuezhong, Tibet autonomous regional delegation leader and Tibet Autonomous Regional CPC Committee deputy secretary, also delivered a speech, in which he said: The Tibet Autonomous Regional CPC Committee and People's Government have conscientiously studied and formulated a general train of thought as well as concrete measures for speeding up Tibet's reform and opening up and have put forth in no uncertain terms basic principles for opening up to the outside world, namely, to bring into full play Tibet's geographical superiority of bordering on five countries and one region; to stabilize and develop economic and trade relations with Nepal; to resume and expand trade with India; to actively further border trade with such neighboring countries as Burma, Bhutan, and others; and to actively open up markets in Southeast Asia. [passage omitted]

He Zhiqiang, Yunnan provincial delegation leader and Yunnan provincial governor, held in his speech: For many years in the past, Yunnan lagged far behind others in opening up to the outside world. However, along with the improvement of relations between China and various neighboring countries, as well as political and economic changes in various neighboring countries, the Yunnan Provincial CPC Committee and Government have decided in a timely fashion to mainly open Yunnan to Southeast Asia and to build Yunnan into an important land route through which various southwestern provinces and regions can enter Southeast Asia. We are currently formulating and perfecting all our relevant policies in accordance with this general principle. [passage omitted]

Mountainous Areas Improve With State Support

OW0208073492 Beijing XINHUA in English
0713 GMT 2 Aug 92

[Text] Beijing, August 2 (XINHUA)—China's 935 mountainous counties with a combined population of 270 million have achieved an economic uplift in all sectors in the drive of reform and opening to the outside world.

The annual total social output of the mountainous counties have reached 354.6 billion yuan (70.92 billion U.S. dollars).

According to the State Statistics Bureau, the total social output in the rural areas of the mountainous counties last year was nearly 100 percent up over that of 1985 with an annual growth rate of 12.2 percent.

Last year, the non-farming output value was 48.9 percent of the total output in the counties, 13.6 percentage points up over that of 1985.

The counties have attached big importance to the development of forestry, animal husbandry and fisheries. The

production value of these industries was 101.6 billion yuan (20.32 billion U.S. dollars) last year.

The farming conditions in the mountainous areas have been improved as a result of government support in funds and materials in constructing water conservancy, highway and hydropower facilities, and adding farm machines.

Last year, the grain output of the mountainous areas reached 99.72 million tons, cotton output was 131,000 tons, and oil seed output was 4.145 million tons.

The production of pork, beef and mutton was 7.7 million tons last year, 52.3 percent up over 1985.

Larger Harvests, Investment 'Bolster' Rural Areas

HK3107023592 Beijing CHINA DAILY in English
31 Jul 92 p 1

[By staff reporter: "Harvests and Input Rev (as published) Rural Development"]

[Text] The development of China's rural economy has gained new momentum since early this year, thanks to continued bumper harvests and a 23.4 percent increase in capital investment last year, according to an official report.

The trend also showed up in the rapid growth of rural enterprises and flourishing business activities across the countryside, said a State Statistics Bureau report released yesterday.

Total fixed asset investment in rural areas jumped to 153.6 billion yuan (\$30 billion) last year, increasing by 23.4 percent over the corresponding period the previous year. And more than 70 percent of those investments were contributed by farmers, who poured in some 108 billion yuan (\$19.64 billion) last year alone to bolster rural economic development.

An official from the Ministry of Agriculture told China Daily yesterday that rural economic growth usually depends on two vital factors: Investment in agricultural production and the average farmer's income.

Last year, despite a marked increase in agricultural investment, the average annual per capita income of farmers still remained at 601 yuan (\$110), the official pointed out.

"One reason for the slow income growth was unbalanced development in China's vast countryside, which runs from the prospering coastal provinces to the underdeveloped interior regions," he said.

"There are 40 counties in the hinterland still plagued by shortages of food, housing and clothing," the official said in a telephone interview.

The annual per capita income of rural residents in some coastal areas of Guangdong and Shandong provinces has already topped 3,000 yuan (about \$545), according to recent reports.

The official said that the well-off farmers in the coastal areas had benefited from the rapid growth of rural enterprises run by collective or private investors.

Total production of rural firms reached 1.16 trillion yuan (\$211 billion) last year, a 35 percent increase over the same period a year ago. They also provided 96 million jobs to partly offset the surplus in rural labour.

The government is prepared to vault the rural industry to a targeted output of 2.64 trillion yuan (\$488 billion) by 2000, and require it to absorb 140 million surplus workers, according to the official.

Higher Wheat Procurement Prices Spur Output

OW0108063192 Beijing XINHUA Domestic Service
in Chinese 1504 GMT 31 Jul 92

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 31 July (XINHUA)—Information from the Ministry of Commerce has revealed that the procurement of this year's summer grains was speedy and that the grain quality was good. As of 20 July, 92 percent of the planned orders for summer grains has been procured, a 21-percent increase over the previous year's corresponding period.

According to data collected by the Ministry of Commerce on 13 provinces that produce summer grains, the total production of this year's summer grains was 88.665 billion kg, an increase of 3.61 billion kg over last year's production. Of this total, wheat constituted 81.145 billion kg, an increase of 3.655 billion kg over last year's production. The quality of wheat procured in most provinces this year was relatively higher, with 60-70 percent of the product at above-medium grade—90 percent of Henan's wheat was above medium grade and its quality was the best since 1980.

According to a Ministry of Commerce analysis, the increase in the order price for wheat by the state had aroused the peasants' enthusiasm in fulfilling the orders. During the procurement period, the order price for medium-grade wheat, incentives for selling quality products, and quality price differentials basically resulted in the market price of wheat. The peasants showed their enthusiasm and initiative in selling their grains, which resulted in several prefectures and cities in Beijing, Jiangsu, Shandong, and Henan fulfilling a year's procurement in one quarter. Grain departments of various localities did solid work in preparation for placing their orders. The public announcement of prices, policies, grades, and quality was an important factor in the good procurement of this year's summer grains.

East Region

Regional Supervisory Work Meeting Held in Xiamen

GW0408004092 Beijing XINHUA Domestic Service
in Chinese 0308 GMT 3 Aug 92

[By reporter Yu Yingrui (0151 3841 3843)]

[Text] Xiamen, 3 August (XINHUA)—Xu Qing, director of the State Council Office for Correcting Unhealthy Tendencies and vice minister of supervision, said here recently: Supervisory organs at all levels should boldly protect reformers who resolutely implement central policies and dare to pioneer. Supervisory organs should ensure the implementation of the policies and measures of the party Central Committee and the State Council and resolutely investigate and punish anyone who stubbornly refuses to implement reform measures and obstructs reform and opening up.

Xu Qing made these remarks at a supervisory work discussion meeting of the east China and northwestern regions held in Xiamen. He said: The most important task of the supervisory work in the new period is to supervise and inspect the implementation of economic policy decisions and reform measures at all levels. Supervisory organs at all levels should honestly perform their duties; seriously investigate and punish embezzlement, bribe-taking, abuse of power for private gains, dereliction of duty, and other disciplinary violations; persistently wage an anti-corruption struggle; and vigorously help correct any irregularities of various departments.

Xu Qing said: Supervisory work should be done under the guidance of Comrade Deng Xiaoping's important talks made during his southern China inspection tour, as well as the guidelines of the central Political Bureau meeting. We should break the shackles of traditional ideas, consider reality, further emancipate our minds and unify our understanding, and clearly know our tasks. We should strive to explore new ways of supervisory work to serve reform, opening up, and economic construction.

Present at the meeting were responsible persons of the departments and bureaus of supervision of 12 east China and northwestern provinces, municipalities, and autonomous regions, as well as the Xinjiang Production and Construction Corps.

Fujian's Zhangzhou Applies Taiwan Farming Methods

OW0408085092 Beijing XINHUA in English
0803 GMT 4 Aug 92

[Text] Beijing, August 4 (XINHUA)—Zhangzhou City in east China's Fujian Province has applied farming methods from Taiwan in the first six months of this year, and it introduced well over 300 new agricultural, forestry, animal husbandry and fishing developments and 450 items of new equipment.

It also signed agreements for 72 Taiwan-funded enterprises involving 36 million U.S. dollars in investment, the Overseas Edition of the "PEOPLE'S DAILY" [RENMIN RIBAO] reported today.

As Fujian's major grain and cash crop producer, Zhangzhou is an attractive proposition for overseas investors and the administration has especially encouraged Taiwan businessmen.

The city's vegetable company has successfully introduced new seed varieties to 3,300 ha of farmland. As a result the company produced 100,000 tons of vegetables worth 45 million yuan.

Jiangsu Leaders Meet Fujian Fact-Finding Group

OW0208025892 Nanjing XINHUA RIBAO
in Chinese 26 Jul 92 p 1

[Text] A Fujian provincial delegation—led by Chen Guangyi, secretary of the Fujian Provincial CPC committee—that is currently on a fact-finding tour of Jiangsu, arrived in Nanjing yesterday amid the summer heat. Shen Daren, secretary of the Jiangsu provincial CPC committee; Jiangsu Governor Chen Huanyou, deputy secretary of the Jiangsu provincial CPC committee; Sun Jiazeng and Cao Keming, deputy secretaries of the Jiangsu provincial CPC committee; Jiangsu Vice Governor Gao Dezheng, member of the Standing Committee of the Jiangsu provincial CPC committee; and Sun Han, chairman of the Jiangsu provincial committee of the Chinese People's Political Consultative Conference, warmly welcomed and met with the Fujian delegation in Nanjing yesterday afternoon.

The Fujian delegation arrived in Jiangsu on 20 July. Before they arrived in Nanjing, they visited some large- and medium-sized enterprises and rural enterprises in Suzhou, Wuxi, Changzhou, and other cities. The delegation was accorded a warm welcome and receptions by local cadres and masses of the cities they visited. Sun Jiazeng accompanied the delegation during its visits to the aforementioned cities.

Before the Fujian delegation's current visit to Jiangsu, Jiangsu sent a study group headed by Governor Chen Huanyou to conduct studies in Fujian. Since the Third Plenary Session of the 11th CPC Central Committee, Fujian has been one of the coastal provinces that have enjoyed rapid economic growth. It has faithfully implemented the party's basic line, emancipated the mind, carried out its work in the light of the actual situation, made good use of its resources, quickened the pace of reform and opening up, and scored achievements in promoting material and spiritual civilizations that have drawn wide attention. Fujian's experience has enlightened party committees and governments at all levels of Jiangsu and has aroused wide interest among them. The Fujian delegation's current visit to Jiangsu has passed on Fujian's valuable experiences to Jiangsu and provided another good opportunity for Jiangsu's cadres and masses to study Fujian's experience.

Yesterday afternoon, Jiangsu's leading comrades had a warm and friendly conversation with all comrades of the Fujian delegation. On behalf of the Jiangsu provincial CPC committee and government, Shen Daren first extended his warm welcome to the comrades from Fujian. Shen Daren said: The fact that Comrade Chen Guangyi leads a delegation to visit Jiangsu not long after comrades of Jiangsu came home after a study tour of Fujian shows that contacts and cooperation between the two provinces have been closer than ever. During their visit to Fujian, comrades of Jiangsu were accorded a warm reception by the Fujian provincial CPC committee and government and gained many useful experiences. Shen Daren went on to brief the guests on the basic situation in Jiangsu, the province's major work in recent years, how the province had studied and implemented Comrade Deng Xiaoping's important remarks made during his inspection tour of the south, and the province's main ideas about its future work. He said: Both Jiangsu and Fujian are coastal provinces; they can heavily rely on each other in economic and technological development. The two provinces have had close relations in various fields for a long time. Over the last few years, economic and technological cooperation between the two provinces has been strengthened daily, and relations in various fields have been closer than ever. In particular, when Jiangsu was hit by the disastrous floods last year, the people of Fujian gave us strong support. We would like to once again express our sincere thanks to you. Shen Daren expressed the hope that exchanges between the two provinces would be further increased and that the two provinces would make use of their own strengths and take various means to promote cooperation and exchanges at various levels and in various forms in the industrial, agricultural, science and technological, economic, and trade fields to accelerate the two provinces' economic development. Chen Huanyou also briefed the Fujian delegation on Jiangsu's economic development.

Chen Guangyi also spoke ebulliently at the meeting, expressing his thanks to the Jiangsu provincial CPC committee and government as well as all localities they visited for their warm receptions. He also talked about his impression about his current visit to Jiangsu and briefed Jiangsu's comrades on Fujian's reform, opening up, and economic development. He expressed the hope that relations between Fujian and Jiangsu would be strengthened and that the scope of economic and technological cooperation between them would be broadened. He also said Fujian will take steps to further increase economic and technological cooperation with Jiangsu so that the two provinces would march forward hand in hand.

The Fujian delegation will hold discussions 26-27 July on specific topics with responsible Jiangsu department comrades and will continue its fact-finding tour in Nanjing and Yangzhou.

Shandong Working Soil Erosion Conference Held
*SK0208045892 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 1 Aug 92*

[Summary] The provincial leading group for water resources and water and soil conservation held a working conference in Jinan on 1 August.

The conference pointed out that soil erosion is extremely serious in the province. A sample survey showed that 63,500 square km of land, 41.5 percent of the total area, had soil erosion; 250 million tons of soil were washed away every year. Soil erosion has become a key factor in economic development of the mountain areas and the windy and dusty areas.

The provincial party committee and the provincial government have paid full attention to soil erosion. All localities across the province have regarded water and soil conservation as a key measure for improving production conditions, strengthening agriculture's role as the foundation of the national economy, ensuring a benign cycle of the ecological environment, and comprehensively rejuvenating the rural economy.

In the past decade, the province improved 9,400 square km of land where soil had once been washed away. While preventing soil erosion, the province has paid attention to comprehensively developing agriculture, forestry, animal husbandry, sideline occupations, and fisheries.

Shandong's Yantai Economic Zone Develops Rapidly
*OW0408081992 Beijing XINHUA in English
0756 GMT 4 Aug 92*

[Text] Beijing, August 4 (XINHUA)—The Yantai Economic and Technological Development Zone in east China's Shandong Province has achieved rapid development with good efficiency in the first half of this year.

The zone's area has been expanded from the original planned 10 square kilometers to 36 square kilometers.

Since July last year, the zone has attracted foreign firms of over 20 countries to engage in land development, and some big domestic enterprises have also invested in the zone.

It is estimated that each one yuan (0.20 U.S. dollars) in infrastructure construction attracts 10 yuan (2 U.S. dollars) of project funds, and makes an industrial production value of 20 yuan (4 U.S. dollars), according to today's "PEOPLE'S DAILY [RENMIN RIBAO]."

The zone has put stress on the development of high and new technologies. By the end of June, it had approved a total of 18 high-tech enterprises, 12 of them now operational, and 13 scientific research and technological development institutes.

Many of the projects in the zone have investments of over 10 million yuan (2 million U.S. dollars) each in the production of chemical fibers, iron and steel, power and electronics.

Shandong Transportation Developments Reported

SK0208045592 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 1 Aug 92

[Summary] To expand the scale of opening up and accelerating economic development, the provincial communications department has adopted measures to speed up the construction of highway networks, inland water transport harbors, and airports and to lay a good foundation for rejuvenating Shandong's economy.

The provincial communications department worked out a short-term construction program that should be completed by 1997. The program includes the highway linking Linqing and Caoxian, the highway linking Dezhou and (Heishan), the highway linking Dongying and Tancheng, the highway linking Yantai and (Xiaxin), the highway linking (Jiaonan) and (Guantie), and the highway linking Rizhao and Dongming. When these highways are completed, one-third of the province's counties and cities and 16 prefectures and cities will be linked. With regard to sea transportation, the province plans to build 46 deepwater berths.

Jiang Chunyun Meets Hong Kong Businessmen

SK0208083792 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 1 Aug 92

[Excerpts] On the evening of 1 August at Qilu Guesthouse, Jiang Chunyun, secretary of the provincial party committee; Li Chunting, deputy secretary of the provincial party committee and vice governor of the provincial government; and Wang Yuyan, vice governor of the provincial government, cordially met with Mr. (Li Mingzhi), chairman of the integrated enterprise association of Hong Kong, and his party.

In a warm and friendly atmosphere, both the hosts and the guests extensively and profoundly exchanged views on further increasing investment and strengthening cooperation.

Mr. (Li Mingzhi) arrived in Jinan on 31 July. Wang Yuyan, vice governor of the provincial government, welcomed him at the airport.

Mr. (Li Mingzhi) led the delegation to Shandong to further deeply explore the cooperation projects that will be developed according to the preliminary agreements signed between both sides. [passage omitted]

At the meeting, Jiang Chunyun warmly welcomed the entrepreneurs from Hong Kong and Taiwan to Shandong and introduced the province's natural resources to them. He also introduced the province's industrial and agricultural development, opening up, and investment environment.

He praised that Mr. (Li Mingzhi) is an entrepreneur with strategic foresight.

Jiang Chunyun said: We need capital and advanced techniques to promote modernization. We welcome all foreign enterprises and companies investment and cooperation in Shandong. We will provide more preferential policies to develop the projects that can benefit both sides.

He said: We have a good foundation and prospect for conducting cooperation with Mr. (Li Mingzhi). We believe that we will cooperate successfully.

Present at the meeting were some responsible comrades of the provincial departments concerned.

Shanghai Becomes Important Securities Center

OW0308102992 Beijing XINHUA in English 0918 GMT 3 Aug 92

[Text] Beijing, August 3 (XINHUA)—Shanghai, China's leading industrial city, has grown into an important center of securities transactions in the country.

According to today's "GUANGMING DAILY" [GUANGMING RIBAO], 23 provinces, autonomous regions and municipalities have set up their securities management organizations in the city. The Shanghai Securities Exchange has 103 member units, of which 83 are from outside Shanghai.

A total of 41 share-holding companies have floated 480 million yuan in shares through the exchange this year. In return, over two billion yuan were raised for the state and enterprises.

Shanghai's decision to completely lift the price control of shares in late May has greatly promoted business at the exchange. In the first half of this year, the volume of share transactions at the exchange reached 10.86 billion yuan, compared with the 1.6 billion yuan of share transactions achieved for the whole year of 1991.

Varieties of shares at the exchange also increased from the past nine (including B shares) to the present 17. Even more new shares from over 20 firms also began to enter the market in late July.

According to the newspaper, 1.247 million people bought shares from 41 companies in the first half of this year.

The "share craze" in Shanghai impels the exchange to update its existing trading network. For instance, a large trading system which is expected to hold 500 transaction desks is underway, said the newspaper.

Shanghai Anticorruption Procuratorial Body Set Up

HK0308043092 Beijing FAZHI RIBAO
in Chinese 15 Jul 92 p 1

[By correspondent Shen Jianxuan (3947 1017 6513), reporter Liu Jian (0491 1696): "Procuratorial Department for Prevention of Corruption and Bribery Set Up in Shanghai"]

[Text] Shanghai, 14 Jul (FAZHI RIBAO)—A few days ago, Shanghai Municipal People's Procuratorate officially set up the Procuratorial Department for Prevention of Corruption and Bribery to adjust to the development of the reform and opening up situation and strive to reduce and prevent the occurrence of corruption and bribery cases.

It was understood that the main tasks of the department are to study the characteristics and regular pattern of, and preventive methods against corruption and bribery offenses to integrate specialized with social prevention, post with prior prevention, and single-case with coordinated prevention; and to work by such means as work coordination and procuratorial recommendation to link up the connections, give publicity to the legal system, help stop up loopholes in the establishment, and provide legal and policy consultative services to enterprises and entrepreneurs.

Southwest Region

Guizhou Secretary Speaks at Economic Meeting

HK0408062192 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 27 July 92

[Excerpt] The ninth meeting of the commission for economic coordination between five provinces and autonomous regions and two cities in southwest China, which was mainly designed to exploit markets in Southeast and South Asia through common efforts, opened in Kunming, Yunnan, on the afternoon of 27 July.

Both Premier Li Peng and Comrade Chen Pixian wrote inscriptions for the meeting. Vice Premier Tian Jiyun attended the meeting. Li Peng's inscription reads: May various provinces and autonomous regions in Southwest China join forces to expedite reform, open wider to the outside world, and move toward Southeast Asia. Chen Pixian's inscription runs as follows: Open border areas to the outside world to revitalize the economy in Southwest China.

Leading party and government cadres from Yunnan, Sichuan, and Guizhou Provinces, Guangxi and Tibet Autonomous Regions, and Chengdu and Chongqing; persons in charge of relevant central departments; and representatives from Hunan and Guangdong, totaling 276, attended.

The meeting's chairman Pu Chaozhu, secretary of Yunnan Provincial CPC Committee, delivered an opening speech.

Yang Rudai, secretary of Sichuan Provincial CPC Committee and member of the CPC Central Committee Political Bureau, attended and made a speech.

Liu Zhengwei, secretary of the provincial party committee and chief of this province's delegation to the meeting, and Wang Chaowen, governor and deputy chief of the delegation, made a joint statement. They said: While strengthening regional cooperation, the five provinces and autonomous regions and two cities in Southwest China are joining forces to open the region wider to the outside world. This is a necessity for accelerating economic development in Southwest China and constitutes an important aspect of China's strategy of opening to the outside world on every side. In joining forces to open the region wider to the outside world, the seven parties have each their own part to play, which is irreplaceable. To give full play to Guizhou's and other parties' [words indistinct] in geographical position, natural resources, industries, [words indistinct], and markets, Guizhou will open its doors on every side in the form of [words indistinct]. It will, through expanding cooperation with neighboring provinces and autonomous regions and establishing economic ties with other parts across the land, open up markets in Southeast and South Asia and in other parts of the world. [passage omitted]

Gyaincain Norbu Address Marks Farm Anniversary

OW0208064692 Lhasa Tibet Television
Network in Mandarin 1200 GMT 1 Aug 92

[From the "Tibet News" program]

[Text] Lhasa's Ba Yi farm held a forum on the afternoon of 31 July to mark the 40th anniversary of its founding. Attending the forum were Tibet's party and government leaders, including Chen Kuiyuan, Raidi, Gyaincain Norbu, Basang, Danzim, (Lieque), Gyamco, and Gying Puncog Cedain; and Lhasa Mayor Luoga, Chairman (Gao Shizeng) of the Lhasa People's Congress, Chairman (Luosang Danzim) of Tibet's agriculture commission, and responsible comrades of other units concerned.

At the forum, (Wang Chengjie), secretary of Ba Yi farm's CPC committee and director of the farm, summed up and reviewed the experience the farm has gone through and the achievements it has made over the past 40 years. Chairman Gyaincain Norbu of the Tibet Autonomous Regional Government spoke at the forum. He said: Forty years ago, in response to the central authorities' edicts that troops in Tibet should not rely on local people for their food supplies, the People's Liberation Army's troops in Tibet, under the leadership of (Zhang Guohua), (Tan Guansan), and other comrades, worked hard to establish from nothing the Ba Yi farm on a piece of wasteland on the western outskirts of Lhasa. Over the past 40 years, the farm has experienced numerous twists and turns and gone through countless hardships in gradually developing to its current size. Especially since 1985, cadres and workers of the farm have emanipated

their minds, boldly pioneered new spheres, and dared to make reforms, injecting new life and vitality to the farm. As a result, the farm's agricultural, animal husbandry, forestry, and sideline production has developed rapidly and its economic efficiency has improved markedly. Before the contracting system was implemented, the farm lost 188,000 yuan in 1984. The farm's losses were reduced by 57,000 yuan in 1985 after the contracting system was implemented. It earned a profit of more than 2,169,000 yuan during 1986-1991. During 1989-1991, it paid 406,700 yuan in profits and taxes to the government, paid 456,700 yuan to the government for energy and transportation costs, and overfulfilled its contracting task by 117.79 percent. In addition, it earned 4,336.80 yuan for the troops' recreation and earned a per-capita income of 2,180 yuan, 4.1 times and 2.1 times higher, respectively, than the figures before reforms were instituted.

Comrade Gyaincain Norbu also expressed his hope for the farm's work in the future. He said: 1) We should seriously study and implement Comrade Deng Xiaoping's important remarks and deepen reforms. We should use the spirit of Comrade Deng Xiaoping's remarks to unify the thinking of all cadres and workers of the farm, conduct work in the light of reality, further emancipate our minds, broaden our visions, further deepen the farm's reforms, make the farm's internal management mechanism better and more complete, and develop the farm more rapidly and in a better way. 2) The farm should combine agricultural, industrial, and commercial activities and try to improve economic efficiency. While ensuring the production of agricultural and sideline products, it should actively engage in the second and tertiary industry so it will gradually establish a complete production-supply-marketing service network and combine its agricultural, industrial, and commercial activities. It may also branch out to other trades or establish economic entities of various ownerships. It should continue to improve the quality of agricultural and sideline products, strive to meet market demands, and do its best to reduce production costs. 3) It should try to modernize production technology, play an exemplary and leading role in its field, raise the educational level of all cadres and workers and improve their scientific knowledge, boldly make use of modern and applicable production technologies, and quicken the process of transforming technology into productive forces and economic efficiency. 4) It should promote its fine traditions and strive to win greater honor. To push the farm into a new development stage, it should not stop educating cadres and workers to adhere to the party's basic line of one central task and two basic points, to preserve the motherland's unification, to firmly oppose nationalist splitting, and to strengthen nationality unity.

Tibet Leaders Meet State Development Experts

OW0208054592 Lhasa Tibet People's Radio
Network in Mandarin 1430 GMT 1 Aug 92

[From the "News and Information" program]

[Text] On the evening of 31 July, Chen Kuiyuan, Raidi, Gyaincain Norbu, Mao Rubai, and Gong Daxi, leaders of the Tibet Autonomous Region, went to the region's questhouse to cordially call on members of a state consulting group for the comprehensive development of Tibet's rivers. The group was led by Lu Liangshu, president of the Association of Agricultural Science Societies, head of the association's academic committee, and deputy director of the Agriculture Ministry's Science and Technology Committee.

The regional leaders thanked the experts for extending their guidance and assistance to Tibet. Chen Kuiyuan, deputy secretary of the regional party committee, said: The effective and comprehensive development of Tibet's rivers will play a decisive role in developing animal husbandry, accelerating economic development, and upgrading the scientific and technological level and living standards of the vast number of Tibetan peasants and herdsmen. He expressed the belief that with the guidance and assistance of the experts, the grand project would definitely be well implemented for the benefits of coming generations. Comrade Chen Kuaiyuan hoped that the experts would put forward more and better opinions for the comprehensive development of Tibet's rivers and for Tibet's overall economic development. He said that the experts' opinions would definitely be well applied.

The state consulting group gave a briefing to the regional leaders on their over 10-day inspection tour through Lhasa, Shannan, and Xigaze. They said that they would make a good summary of their findings and present their suggestions for Tibet's economic development and for the well-being of Tibetans.

North Region

Beijing CPC Committee Holds Enlarged Plenum

SK0208005792 Beijing BEIJING RIBAO
in Chinese 13 Jul 92 p 1

[By reporter Sun Yushan (1327 3768 1472): "The 14th (Enlarged) Plenary Session of the Sixth Beijing Municipal CPC Committee Was Held]

[Text] The 14th (enlarged) plenary session of the sixth municipal CPC committee was held 10-11 July.

The session studied and implemented the guidelines of Comrade Deng Xiaoping's important speeches and the guidelines of the plenary session of the Political Bureau of the CPC Central Committee, studied the guidelines of the important speech made by Comrade Deng Xiaoping during his inspection of the Shoudu Iron and Steel Company and the guidelines of the important speech made by Comrade Jiang Zemin at the Central Party School, and discussed and approved in principle the municipal party committee and the municipal government's "opinions on accelerating the pace of reform and opening up and elevating the economy to a new high."

In his summary speech at the plenary session, Li Ximing, secretary of the municipal party committee, pointed out: Since the beginning of this year, we have paid attention to studying and implementing Comrade Deng Xiaoping's important speeches. First, we have organized the vast number of party members and cadres across the municipality, particularly leading cadres at various levels, to conscientiously study and comprehensively and accurately understand the spiritual essence of Comrade Deng Xiaoping's speeches and to seek unity of thinking in line with the guidelines of the speeches. Second, we have paid attention to implementing the guidelines at various levels while studying the speeches. Third, we have taken Comrade Deng Xiaoping's important speeches as motivation to mobilize the cadres and the masses across the municipality to enthusiastically engage in the construction of socialism. A new situation of reform, opening up, and economic development emerges in the municipality. This is not only a preliminary achievement made by studying and implementing the guidelines of Comrade Deng Xiaoping's important speeches but also a good foundation for elevating the economic development of the capital to a new high.

Li Ximing pointed out: We should grasp the current favorable opportunities; proceed from the reality of Beijing Municipality; strengthen the feeling of urgency; assume responsibility for socialist undertakings; strive to accelerate the pace of reform, opening up, and economic development; and strive to elevate the economic development of the capital to a new high. To speed up reform, opening up, and economic development, Beijing Municipality should attend to the following: First, we should increase the annual economic growth rate and speed up the economic growth rate. According to the situation ahead of us, the current favorable conditions, and the reality, the municipal party committee and the municipal government repeatedly studied and set forth the opinions on speeding up the pace of reform and opening up and promoting the elevation of the economy to a new high. To this end, we should mobilize the vast number of party members, cadres, and people across the municipality to work for and strive to fulfill ahead of time the targets covered in the 10-year development plan, as approved at the municipal People's Congress session, in three years. Second, we should resolutely delegate power to lower levels. Each level should delegate power to its lower level with the focus on delegating power to enterprises as well as districts and counties. To accelerate the development of the economy, we should mobilize the enthusiasm on all fronts with the focus on enterprises and strengthen the vitality of state-owned large and medium-sized enterprises. We must persist in the principle of separating government functions from enterprise management and be determined to delegate power to enterprises. We should conscientiously implement the State Council's "regulations on transforming the managerial mechanism of state-owned industrial enterprises," continue to study and popularize the experience in reform gained by Shoudu Iron and Steel Company, and be sure to delegate various decisionmaking rights to

enterprises. The power that should be delegated to enterprises must be delegated and not withheld. Third, we should firmly attend to readjusting the economic structure according to the special characteristics of the capital and the market needs. We should concentrate efforts on vigorously developing tertiary industry and new and high-tech industries. In the course of readjusting the economic structure, enterprises, units, and departments should foster the concept of taking the overall situation into account; consciously give priority to developing projects for tertiary industry and new and high-tech industries; pay particular attention to breaking the barriers between various trades, between various departments, and between various localities; ensure reasonable distribution of capital; optimize the product mix and the production structure; speed up development; and increase economic results. Fourth, we should open to all directions. As the capital, Beijing should give full scope to its special advantages and become a city that opens itself to the whole world and the whole country. We should strive to make a new breakthrough in arranging administrative levels, developing three types of foreign-funded enterprises, developing export through various channels, developing transnational companies, and running overseas enterprises. In particular, we should make a new breakthrough in using foreign capital, drawing on the experience of foreign countries, achieving "grafting," and speeding up the technological transformation of state-owned large and medium-sized enterprises. Fifth, we should give full scope to the capital's advantages of having more science professionals and technicians, set up and perfect the system and mechanism of closely linking science and technology with the economy, and rapidly turn scientific and technological findings into productive forces.

Li Ximing said: To speed up the economic development of the capital, we must neither unilaterally seek high targets nor encourage an unrealistically fast pace. On the contrary, we should stress down-to-earth work, economic results, and stable and harmonious development.

In regard to emancipating the mind, seeking truth from facts, and eliminating various kinds of obstacles, Li Ximing pointed out: To emancipate the mind, we should persist in the party's ideological line of seeking truth from facts. Emancipating the mind means "changing the way of looking at things." Now, we should further emancipate the mind in the sphere of liberating and developing productive forces and in the sphere of boldly assimilating and drawing on the advanced areas in capitalist countries and upgrade our understanding and further emancipate the mind in the sphere of smashing the trammels of "leftist" ideas.

Li Ximing stressed: To ensure the smooth progress of reform, opening up, and economic development, we must strengthen and improve the party leadership. Under the new situation, party organizations at various levels should explore how to carry out the party work closely in line with the central link of economic construction and how to make the party work serve and submit to

this central link. Meanwhile, we should also positively explore how to organically combine the "two basic points" so as to comprehensively implement the basic line of the party to the letter. We should select and promote skilled people, not according to a rigid pattern, but persistently in line with the principle of ensuring that the ranks of cadres becomes more revolutionary, younger in average age, better educated, and more professionally competent as well as ensuring that cadres have both ability and political integrity. Leaders at various levels, particularly principal leading comrades, should go deep into reality, change their work style, improve work efficiency, think for the grass roots, eliminate difficulties for them, and support the comrades at the grass roots to do their work creatively.

Chen Xitong, deputy secretary of the municipal party committee and mayor of the municipality, explained the municipal party committee and the municipal government's "opinions on strengthening the pace of reform and opening up and elevating the economy to a new high." His speech can be divided into five parts: first, on a gratifying situation that spurs us on; second, on targets and speed; third, further deepen reform; fourth, on expanding the scale of opening to the outside world; and fifth, on emancipating the mind, using our brains, having the daring to do pioneering work, and implementing to the letter Beijing Municipality's targets of elevating the economic development to a new high.

Chen Xitong said: Comrade Deng Xiaoping's series of important speeches made during his inspection in southern China and at the Shoudu Iron and Steel Company and the plenary session of the Political Bureau of the CPC Central Committee have made brilliant expositions of the great strategic principles and policies on reform, opening up, and economic development. This has produced a gigantic impact at home and abroad. The people from higher levels downward are inspired with enthusiasm and are starting an upsurge of emancipating the mind, conducting reform, opening to the outside world, and speeding up the economic development. The situation is gratifying and spurs us on. We have lost several favorable opportunities, so we must not lose the current favorable opportunity. We should take this opportunity to elevate the economy to a new high.

Chen Xitong said: To speed up the pace of reform, opening up, and economic development, we should further emancipate the mind. There is no limit to this. We should be on guard against the Right, but we should focus on preventing the "Left." We should free ourselves from idealistic and metaphysical ideas, such as the awareness of planned economy and the awareness of small-scale production. As long as we emancipate the mind we will be able to work out policies and think of ways to solve problems. If we do not, we will accomplish nothing or a only few things even though there are good conditions and more policies. We should firmly attend to the central link of economic construction and give full scope to the functions of party organizations at various levels. We should persist in the principle of grasping

reform and opening up with one hand and grasping the struggle against various kinds of criminal activities with the other as well as the principle of grasping material civilization with one hand and spiritual civilization with the other. We should be sure to grasp the work in these spheres successfully. Recently, the central authorities and Beijing Municipality worked out some new policies and measures. We should conscientiously implement these policies and measures; make good, full, and sufficient use of them; and implement them to the letter.

Chen Xitong concluded: Major policies and principles have been worked out. Leaders at various levels must not stop at general calls or practice formalism but should firmly attend to their work. We should resolutely oppose the practice of talking only about theories, vigorously advocate the practice of arduously starting an undertaking and being united in struggle, and make greater contributions to elevating the economy of the capital to a new high.

Present at the session were Li Qiyuan and Wang Jialiu, deputy secretaries of the municipal party committee; Li Zhijian, Zhang Jianmin, Zhang Baokang, Meng Zhiyuan, Yuan Liben, Chen Guangwen, and Ouyang Wenan, Standing Committee members of the municipal party committee; Zhao Pengfei, chairman of the Standing Committee of the municipal People's Congress; Bai Jiefu, chairman of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC]; members and alternate members of the municipal party committee; members of the municipal Advisory Commission and the municipal Discipline Inspection Commission; responsible comrades of the departments, commissions, and offices under the municipal party committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC committee; and responsible comrades of various districts, counties, bureaus, general companies, and universities.

Beijing People's Congress Meeting Ends 24 Jul

SK0208142492 Beijing BEIJING RIBAO
in Chinese 25 Jul 92 p 1

[By reporter Sun Yushan (1327 3768 1472) "The 35th Meeting of the Municipal People's Congress Standing Committee Ends"]

[Text] After a four-day session, the 35th meeting of the municipal People's Congress Standing Committee concluded on 24 July.

At yesterday's meeting, the participating members heard and discussed the report given by Shen Dazhuang, deputy director of the municipal office for comprehensive management of social security, on the explanation of the "regulations (draft)" of comprehensive social security management. They also heard and discussed the report given by Wen Yiyu, chairman of the urban construction committee under the municipal People's Congress Standing Committee, on the explanation of the

"regulations (revised draft)" on formulating urban construction plans. They discussed and approved the "regulations" on formulating urban construction plans and the "resolution" adopted by the municipal People's Congress Standing Committee on vigorously developing foreign-funded enterprises. They also heard the report given by Li Guang, vice chairman of the municipal People's Congress Standing Committee, on the explanation of the decision on the number of deputies to the 10th municipal People's Congress and on election timing. They adopted the decision and approved some personnel changes as well.

During the meeting, the participating members voiced their opinions in the discussion of the "regulations (draft)" of comprehensive social security management and said: Over the past few years, the municipality has scored certain achievements in consolidating public security in a comprehensive way. However, the development in this regard is still uneven because we lack definite and specific legal standards to readjust the relationship between rights and obligations of organs, communities, enterprises, establishments, units, and citizens in comprehensive social security management. Some localities, departments, and units have not truly implemented comprehensive management and the situation in public security is still severe. They contended that it is very necessary for the municipality to formulate local regulations and rules for comprehensive social security management. They also held a discussion on these local draft regulations and rules and put forward their opinions on revising them.

At the meeting, the participating members also approved the following personnel changes:

Zhao Yunge [6392 0061 7041] was appointed deputy procurator of the municipal people's procuratorate.

Lun Chaoping [0243 2600 1627] was appointed deputy procurator of the municipal divisional procuratorate.

In line with Mayor Chen Xitong's suggestion, Bo Xicheng was dismissed from his post of director of the municipal tourism administration.

Li Guang and Ma Yaoji, vice chairmen of the municipal People's Congress Standing Committee, presided over yesterday's meeting. Executive Vice Mayor Zhang Jianmin and Vice Mayor Su Zhongxiang attended the meeting as visitors.

Xing Chongzhi at Scientific Research Meeting

SK0308144792 Shijiazhuang HEBEI RIBAO
in Chinese 15 Jul 92 pp 1, 2

[By reporters Wang Jinjie (2621 6651 2638) and Liu Dongwen (0491 2639 4489): "Accelerate the Shifting of Scientific Research Mechanisms To Promote the Combination Between Science and Technology and the Economy"]

[Excerpt] "It is impossible for the independent scientific research institutes with development projects to find any outlets because they have dissociated themselves from production and enterprises and have been long divorced from economic construction needs in their work. Only by further emancipating their minds and integrating their scientific research with economic construction can they have a fundamental outlet and vitality." This was stressed by Xing Chongzhi, secretary of the provincial party committee, in his speech made at the meeting that closed on 14 July on exchanging the experience gained by the independent scientific research institutes throughout the province in deepening reform.

During the two-day meeting, the participants held a special topic discussion on having the state-run independent scientific research institutes throughout the province deepen the reform and achieve development. The representatives of scientific research units, including the provincial metallurgy institute, the provincial microbe institute, the provincial light industry institute, the provincial petrochemical institute, and the Shijiazhuang prefectural agricultural science institute, delivered reports describing their methods and experiences in deepening the reform and entering the main battlefield of economic construction.

Vice Governor Gu Erxiang attended the meeting and delivered a speech.

Our province has 148 independent scientific research institutes. Over the past few years, they have made important progress in reforms. The province has also reduced the operating expenses of 53 scientific research institutes with development projects. It has generally enforced the contracting system for operating expenses among the scientific research institutes with technological foundation and social benefit projects as well as the system of having these institutes be responsible for the attainment of certain objectives. Thus, all independent scientific research institutes have generally enforced the contracting system and the aforementioned system. Scientific research being divorced from economic development and the work to turn the scientific research results into productive forces not being carried out satisfactorily are major existing problems.

Xing Chongzhi pointed out in his speech that the most important signs of scientific research institutes being enlivened and of success in their operations is a close connection between them and economic construction or of them advancing economic development. First, these institutes should yield results; second, they should turn out products; third, they should achieve economic results; and, fourth, they should train talented personnel. They should closely follow the trend of new technological developments and concentrate their efforts on studying new and high technologies. Results yielded by them should be of high scientific and technological standards, and products turned out by them should be with high technological contents.

Xing Chongzhi said in his speech that the key to successfully operating these institutes is to deeply study the spirit of important speeches made by Comrade Deng Xiaoping during his inspection tours in the south and of the CPC Central Committee's directives and to further emancipate minds. The leading personnel and research fellows of every institute should be open-minded and have a broad field of vision. By no means should they be bound by the old ideas and concepts or by the outdated regulations and rules formulated by themselves that are unsuitable for the development of situation, nor should they enmesh themselves in their own web. They should boldly eliminate and end the original provisions as soon as they are found unsuitable and they should resolutely stop the enforcement of these provisions. They should further renew their concepts and eliminate their former ideas of paying attention only to research but not to popularization, business operations, economic results, and market demand. The relevant departments of higher authorities should change their concepts and functions and return the right of research to the scientific research institutes. The orientation of leading the development of scientific research institutes with development projects is the way to gradually achieve a combination between science and industry and trade, as well as among science, agriculture, and trade. Those that are not running well may be merged by enterprises and those that are running well may merge enterprises into them. We should encourage some institutes to open enterprises independently or to open joint venture enterprises and to try establishing vanguard enterprises and enterprise groups in which research institutes are playing a leading role. We should convert as soon as possible the high and new technological results suitable to market demand into

productive forces and foster their productive standards. We should also have these institutes boldly engage in business by being in debt; rapidly enter both domestic and foreign markets; and achieve commercialization, industrialization, and internationalization of scientific and technological results. [passage omitted]

Shijiazhuang Becomes Largest Medicine Base

OW0408101492 Beijing XINHUA in English
0948 GMT 4 Aug 92

[Text] Shijiazhuang, August 4 (XINHUA)—Shijiazhuang City, capital of north China's Hebei Province, has become the largest medicine production base in China.

According to statistics, the city has produced seven categories of over 800 kinds of raw materials, preparations, hygienic materials, medical apparatus and instruments and Chinese traditional medicines.

The annual output volume and profits reached 1.7 billion yuan and 260 million yuan respectively.

The city has six medicine producing factories, ranking first in China. They mainly produce raw materials for antibiotic and aminobenzyl penicillin ampicillin, and aminobenzyl penicillin ampicillin powder.

By the outlay of 36 million yuan, the city in the past ten years has brought 54 technological projects up to international standard.

The city has also set up three joint ventures with overseas investors for the production of medicine.

Reunification Body Defines 'One China' Concept

OW0208211292 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 1 Aug 92

[From the "Hookup" program]

[Text] President Li Teng-hui yesterday presided over the eighth plenary session of the National Reunification Council, which reached a conclusion on the meaning of one China following a four-hour discussion. The National Reunification Council set forth three points to define the meaning of one China.

First, both sides of the Taiwan Strait have been adhering to the principle of one China. Nevertheless, the positions of the two sides are somewhat different. The Chinese Communists, for example, contend that one China means the People's Republic of China and that, after reunification in the future, Taiwan will become a special administrative region under the jurisdiction of the Chinese Communists. Meanwhile, our side contends that one China means the Republic of China founded in 1912 and that sovereignty covers all of China. Our government's current political power, however, only covers Taiwan, Penghu, Chinmen, and Matsu. Taiwan is a part of China and the mainland is also part of China.

Second, since the 38th year of the Republic of China, China entered a temporary division and two political entities have ruled the two sides of the Taiwan Strait since then. This is an objective fact. All views on unifying the country must not overlook the existence of this fact.

Third, to develop the nation and promote the nation's prosperity and the people's welfare, the Government of the Republic of China has formulated a program for national reunification. It also has sought a common understanding among all people, and it has implemented steps to promote the reunification of the country. Therefore, it earnestly hopes that the authorities on the mainland will seek truth from facts, discard preconceived ideas, cooperate with us, and contribute to the building of a free, democratic, commonly rich, and single China.

Now that the National Reunification Council has made a decision on the specific meaning of one China, this decision will provide a basis for discussion when the two sides touch on the issue in negotiations between businessmen.

However, Deputy Secretary General of the Presidential Office Chiu Chin-i said that, in defining the meaning of one China, our side has clearly pointed out that the two sides of the Taiwan Strait have different understandings on the issue of one China. Therefore, he added, it will be best not to touch on political issues when the two sides conduct business talks.

During the discussion of the one China issue at the National Reunification Council meeting, Tao Pai-chuan, Kang Ning-hsiang, and nine other members expressed

opinions. Premier Hao Po-tsun, vice chairman of the council, emphatically declared that the one China advocated by us means the Republic of China. Although we have had to pay a price for adhering to the principle of one China, we have prevented the Chinese Communists from using force against Taiwan. Therefore, our side must adhere to one China.

Further Report

OW0308091092 Taipei CNA in English
0755 GMT 3 Aug 92

[Text] Taipei, Aug 3 (CNA): The National Unification Council (NUC) said Saturday that both sides of the Taiwan Strait agree that there is only one China but they define the "one China" somewhat differently.

Peking says the China is the People's Republic of China [ROC] which will govern Taiwan, after its unification with the mainland, as a "special administrative zone," NUC Executive Secretary Chiu Chin-i pointed out.

Taipei refers to the one China as the Republic of China which was established in 1912.

The sovereignty of the Republic of China covers the whole China, though currently it rules only Taiwan, Penghu, Kinmen and Matsu, Chiu said.

Under the NUC definition, Taiwan is part of China, so is the mainland, Chiu added.

The Presidential Council, which met Saturday, noted that since 1949, China has been temporarily divided and ruled by two political entities across the Taiwan Strait.

"This is an undeniable fact which cannot be ignored by anyone calling for China's reunification," the council stated.

The government of the Republic of China, in order to promote national development and improve the people's well being, has designed the national unification guidelines.

"We sincerely hope the mainland authorities will recognize the reality, discard their biases in a pragmatic manner, and cooperate with us in building a free and democratic China with equitable distribution of wealth," Chiu urged.

Ma Ying-jeou, vice chairman of the Mainland Affairs Council, said the mainland is also part of China.

"Peking has always stressed that Taiwan is part of China. Now we must tell the world that Mainland China is also part of China," he added.

"There is a need to emphasize the equality between the two political entities on the two sides of the straits," said Ma, also a member of the NUC's research committee.

Shenzhen Factory Declines SEF Intervention*OW0408100192 Taipei CNA in English
0803 GMT 4 Aug 92*

[Text] Taipei, Aug. 4 (CNA)—An official of the Liyang Machinery Co., whose bicycle factory in Shenzhen, Guangdong Province, was stormed by communist Chinese soldiers last week, told the Straits Exchange Foundation (SEF) Monday that it does not need SEF intervention in the incident.

A dozen Liyang workers and mainland soldiers were injured in a clash last Friday. The company reported a U.S.\$10,000 loss as a result.

The Taiwan-invested company said it could settle the problem without SEF assistance since no Taiwan executives were involved in the clash between mainland workers and mainland soldiers.

The SEF is a non-profit organization dedicated to the promotion of civilian exchanges between Taiwan and the mainland.

A SEF official said Liyang was keeping a low profile for fear of future retaliation by the communist Chinese troops. The bicycle-making company has resumed production.

Vice Economics Minister Li Shu-chiu reminded Taiwan businessmen of the "complexity" of the investment environment on the mainland.

The Economics Affairs Ministry has stepped up efforts to encourage Taiwan investors to form their own associations in order to protect their interests on the mainland.

Ministry officials said the Taiwan Businessmen Association in Guangdong is expected to be launched in September, and those in Fujian and Hainan provinces will be established later.

Taiwan businessmen have realized the importance of uniting together after the Liyang incident and the Jili Footwear Co. incident in Xiamen, Fujian, last month, officials said.

Three Taiwan executives of Jili were arrested for a minor labor-management dispute. They were later released after mainland authorities dropped charges against them.

Ministry Not To Urge Mainland Investment*OW0408103392 Taipei CNA in English
0831 GMT 4 Aug 92*

[Text] Taipei, Aug. 4 (CNA)—The Ministry of Economic Affairs will not encourage businesses to invest on the China mainland at the present time, Vice Economics Minister Li Shu-chiu said Monday.

He said, to those who have already invested there the government can only provide information and counseling services.

A task force of the ministry met Monday to discuss matters concerning investment on the mainland.

However, the official said at the meeting that the ministry has no objection to those investments that pose no threat to national security and economic development in Taiwan.

The government has already allowed Taiwan businessmen to make such investments for producing more than 3,000 categories of products on the mainland, he pointed out.

Service Industry Investments on Mainland Allowed*OW0208211192 Taipei Voice of Free China
in English 0200 GMT 2 Aug 92*

[From the "News" program]

[Text] The people of Taiwan will be allowed to indirectly invest in some service industries in mainland China. Vice Minister of Economic Affairs P.K. Chiang said his ministry will consult with the Mainland Affairs Council on the issue later this month. A list of services Taiwan people will be allowed to operate on the mainland will be announced after the consultation. Among the possible services to be listed are karaoke shops and retailing businesses.

Chiang revealed that Taiwan companies are currently allowed to indirectly invest on the mainland for the manufacture of over 3,700 kinds of products. Chiang said: More items will be added to the list in the near future. In addition, the government will unveil a list of industries in which Taiwan companies are definitely banned from investing on the mainland.

Editorial Urges Checking Mainland Investment*OW0208114592 Taipei CHINA POST
in English 29 Jul 92 p 4*

[Editorial: "Keep A Tab On Capital Flowing To The Mainland"]

[Text] Government authorities must look into Taiwan's rapidly growing investment in mainland's stock and real estate markets and take necessary corrective measures.

According to recent-industry surveys, more and more Taiwan developers are investing in the mainland realty market, using money borrowed from local banks.

The industry surveys also show that Taiwan's listed companies in growing numbers are pouring their money into the mainland's fledgling, but rapidly growing stock markets.

These mainland-bound investments deserve government attention, and not only because they violate the existing policy prohibiting local companies from investing in mainland stock and realty markets.

It is also because such investments could harm Taiwan's economy. First of all, when developers take out large amounts of loans from local banks for investing on the mainland, it diminishes the supply of funds available for domestic investment.

Also, as listed companies move to invest in mainland's equity markets, they tend to cut back on investment here. The local bourse's persistent failure to stage a recovery this year is a clear indication of that.

Additionally and more seriously, investing in the now highly speculative mainland stock and realty businesses is risky. As prices shoot up, they could become unsustainable, causing steep plunges.

This would not only hurt Taiwan's developers and listed companies. The banks lending money lending banks and shareholders could also be seriously affected [sentence as published].

In view of such possible chain reactions, local companies must be strictly banned from investing in the mainland equity and property markets. To help enforce the ban, the Central Bank of China should forbid local banks to lend money to developers and others seeking to invest in those mainland businesses.

Furthermore, the Securities & Exchange Commission should penalize any listed companies investing in mainland stocks. Clearly, none of these companies have ever obtained shareholder approval to invest in the mainland stock market.

The commission should also watch closely the many stock brokerage houses, some of which are reportedly illegally raising funds in Taiwan for investing in the mainland stock market.

As such activity is also a risky violation of the law, it must also be stopped to protect the interests of the investors.

Former Information Head in Mainland for Seminar

OW0408092992 Taipei CNA in English
0758 GMT 4 Aug 92

[Text] Peking, Aug. 3 (CNA)—Former Government Information Office director general Shao Yu-ming arrived in Peking Tuesday to attend the second "Seminar on Relations Between the Two Sides of the Taiwan Straits."

Shao said he came to attend the seminar because cultural exchange is more important than trade and economic exchanges.

The former government spokesman said, "It is time to cool down the trade fever and to heat up cultural exchanges."

Shao said he will present a paper on China's unification during the three-day seminar which opens Wednesday.

He proposed the establishment of a "Cross-Straits Cultural Exchange Foundation" to induce more visits to Taiwan by mainland scholars.

Shao said he will tour cultural institutions in Peking after the conference. He also plans to tour Harbin in northeast China.

Joint-Philippines Trade, Economic Pact Signed

OW0408095992 Taipei CNA in English
0808 GMT 4 Aug 92

[Text] Manila, Aug. 3 (CNA)—The delegates of Taiwan and the Philippines to the 7th conference of the Sino-Philippine Business Council in Manila signed a joint communique Monday to further strengthen trade and economic cooperation between the two countries.

The communique says the two sides will increase exchanges of visits by government officials and business leaders.

ROC [Republic of China] Economics Minister Hsiao Wan-chang and Philippine Trade Secretary Rizalino Navarro also reached an agreement to further enhance cooperations. Highlights of the agreement include:

- Taiwan will help the Philippines develop industrial zones;
- Taiwan will help develop the electric power and running water systems in the Philippines.
- Taiwan and the Philippines will sign an agreement to prevent double-taxation.
- The Philippine Ministry of Economics and Trade will establish a Taiwan Affairs Office to facilitate investments from Taiwan.

Ramos Welcomes Taiwan Investment

OW0408102092 Taipei CNA in English
0812 GMT 4 Aug 92

[Text] Manila, Aug. 3 (CNA)—President Fidel Ramos Monday assured Taiwan business leaders that relations between the Philippines and Taiwan will be steadily improved in the years to come.

Meeting Taiwan delegates to the 7th conference of the Sino-Philippine Business Council in Manila, Ramos said "I welcome you to the new favorable business environment in the Philippines."

"Here you can be sure there will be no discrimination and no undue interference of government in your business dealings," he said.

"I invite you to join us moving this country forward towards growth and development," the president said, adding that "in this journey that you take with us, you will not be disappointed in the returns."

Addressing the joint meeting, Republic of China [ROC] Economics Minister Hsiao Wan-chang vowed to help the Philippines invigorate its economy and encourage Taiwan investments there.

Hsiao said that of the U.S.\$11.6 billion invested by Taiwan businessmen in the Southeast Asia, only U.S.\$400 million or 4.6 percent had gone to the Philippines.

"I believe this situation will be greatly improved under the guidance of President Ramos," he said.

Nation Emerges as Top Foreign Investor in Vietnam

OW0308093192 Taipei CNA in English
0816 GMT 3 Aug 92

[Text] Taipei, Aug 3 (CNA): Taiwan has emerged as the top foreign investor in Vietnam, accounting for 22 percent of total foreign investments in the Indochinese country, trade sources said Monday.

Statistics released by Vietnamese authorities show that Taiwan investors did not go to Vietnam before 1990. In that year, several pioneering Taiwan companies poured US\$3.4 million into Vietnam, making Taiwan the ninth largest investor in that country.

Taiwan investments in Vietnam began to gain momentum in 1991 and the aggregate amount has already reached US\$750 million, according to Vietnamese tallies. Taiwan has overtaken Hong Kong, Australia, France and Britain to become Vietnam's largest source of foreign capital.

The China External Trade Development Council (CETRA) reported that more than 90 percent of Taiwan-invested firms are located in Ho Chi Minh City, Vietnam's economic capital, and only a few are in Hanoi.

CETRA, which has opened offices in Ho Chi Minh City and Hanoi, said Taiwan entrepreneurs have invested in a wide range of businesses in Vietnam, including agriculture, textiles, footwear, bambooware, foodstuffs, construction, home electric appliances, motorcycles, hotels, golf courses, tourist services and industrial park construction.

Vietnamese authorities have formally approved 57 investment projects filed by Taiwan companies. CETRA officials, however, said that the number of Taiwan-invested ventures should far exceed 500 as many Taiwan businessmen have invested in Vietnam under the cover of overseas Chinese or Vietnamese figureheads.

CETRA officials said Taiwan investments in Vietnam will increase further in the years to come as a number of Taiwan businessmen still frequently visit the country to inspect its investment climate. An average of 6,000 Taiwan people visit Vietnam each month currently, accounting for 50 percent of tourists to that country.

The officials noted that the Vietnamese welcome Taiwan investors because the two countries have common cultural backgrounds. The down-to-earth work style of Taiwan businessmen has also impressed many Vietnamese people, they added.

President Li Orders Review of Fiscal Policy

OW0408102592 Taipei CNA in English
0821 GMT 4 Aug 92

[Text] Taipei, Aug. 4 (CNA)—The government should control regular administrative expenditures in order to prevent the country's budget deficit from growing too rapidly, president Li Teng-hui said Monday.

Li gave the directive while officiating at a high-level Kuomintang meeting in his capacity as chairman of the ruling party.

After hearing a report by Finance Minister Wang Chien-hsien on the government's current financial condition, Li said finance authorities should adopt a "steady" fiscal policy.

Extravagant government spendings will increase taxpayers' burdens, the president said. Government agencies should cut regular expenses while improving administrative efficiency in order to win popular support.

Li ordered finance authorities to thoroughly review existing tax regulations. "We should modernize our taxation system to cope with changing domestic situations."

The president said the government should continue to crack down on tax evasions. At any rate, he added, tax revenues should account for a reasonable proportion in the government's total income.

Li suggested that the Ministry of Finance launch a publicity campaign to let the public better understand the government's current fiscal and taxation policies.

He said the government should also give priority to reviving private investment willingness. Continued investment is essential to the country's economic growth. "Administrative agencies should make concerted efforts to stimulate private investments," Li stressed.

While pursuing growth, the president said, the government should simultaneously maintain price stability since runaway inflation would eventually undermine a country's economic strength and health.

AIDC Said Able To Make Commercial Jets

OW0408102992 Taipei CNA in English
0826 GMT 4 Aug 92

[Text] Taipei, Aug. 4 (CNA)—The Aero Industry Development Center (AIDC) under the Chungshan Institute of Science and Technology has the potential to produce

commercial aircraft, according to assessment reports by three noted American companies.

Aerospace experts from Boeing Co., MacDonnell Douglas Corp. and Deloitte & Touche Consulting Co. have recently evaluated the AIDC's workforce, equipment, quality-testing system and research and development ability.

The three teams of experts concluded that the center, a military research arm, can produce commercial jetliners.

The government is considering reorganizing the AIDC into a corporate-style organization to help promote aerospace industry here.

A spokesman for the cabinet-level aerospace industry promotion task force said if the plan is realized, the reorganized AIDC will transfer its technological expertise to private companies for commercial use.

"Such a move will be conducive to the development of civil aviation industry here," the spokesman noted.

The MacDonnell-Douglas team also visited 81 private manufacturing companies here earlier this year to study their technological capabilities. The team found that some 80 of them will be able to produce commercial aircraft parts and components if their engineers and management executives receive three months to one year of professional training.

The aerospace task force will contact all these companies and help them modernize their technology and equipment so that they can become qualified subcontractors to major American aircraft manufacturers, the spokesman added.

Reshuffle Set for High-Ranking Officers

OW0208111692 Taipei CHUNG YANG JIH PAO
in Chinese 30 Jul 92 p 1

[Text] Taipei—There will soon be a reshuffle of high-ranking officers of the Nationalist Armed Forces. Wang Ruo-yu, commander of the Military Police Force, will be appointed commander of the "Military Administrative District Headquarters and the Coastal Defense Headquarters," which will replace the former Taiwan Garrison Command. He will be succeeded by Tsao Wen-sheng, chief aide-de-camp of the Presidential Office; and Tsao's vacancy will be filled by Wang I-tien, chief of staff of the Kinmen Defense Command. Chou Chung-nan, now commander-in-chief of Taiwan Garrison Command, will be appointed strategic advisor to the Presidential Office.

These appointments will be announced on 1 August, the day they will become effective.

It is reported that there will be another reshuffle of high-ranking officers of the Nationalist Armed Forces in October. General Lin Wen-li, commander-in-chief of the Air Force; and General Luo Pen-li, commander-in-chief

of the Joint Services Command, may be replaced on reaching the end of their tenures. General Tang Fei, now director of the Joint Training Department, is likely to succeed Lin Wen-li.

It was disclosed that the current personnel reshuffle, as well as the chain reactions it has triggered, is necessitated by needs arising from the forthcoming reorganization of the Taiwan Garrison Command which will take place on 1 August. According to the original plan by decision-making authorities, Chou Chung-nan, now commander-in-chief of the Taiwan Garrison Command, will be appointed to serve as commander of the "Military Administrative District Headquarters and Coastal Defense Headquarters" until the end of the year when appointments of other high-ranking officers will be reviewed. This plan has now been revised.

The revised, finalized reshuffle plan is: Lt. General Wang Ruo-yu, now commander of the Military Police Force, will be promoted to the office of commander (a position for a full general) of the "Military Administrative District Headquarters and Coastal Defense Headquarters"; Lt. General Tsao Wen-sheng, chief aide-de-camp of the Presidential Office, will succeed Wang to become commander of the Military Police Force; and Maj. Gen. Wang I-tien, chief of staff of the Kinmen Defense Headquarters, will be promoted to be chief aide-de-camp to the Presidential Office. For Tsao Wen-sheng, it will be simply a change of office of the same rank; but it will be a promotion for both Wang Ruo-yu and Wang I-tien.

According to new regulations of the Ministry of National Defense, the retirement age for a lieutenant general is 60. While Lt. Gen. Wang Ruo-yu will soon reach his retirement age, he will fill a vacancy for full general, second class, by the time he assumes the new post; and so he may have a chance to become a full general in the future.

As for Wang Ruo-yu's replacement, Luo Wen-shan, commander of the Sixth Military Corps, was one of the top choices, but decisionmaking authorities finally selected Tsao Wen-sheng to succeed him. Lt. Gen. Tsao, former commander of the Kuantu Division, has served as chief aide-de-camp of the Presidential Office since April 1990. He will become commander of the Military Police Force in accordance with the military tradition that ranking officers are subject to transfer once every two years. Chou Chung-nan also served as chief aide-de-camp of the Presidential Office before he was appointed commander of the Military Police Force.

General Chou Chung-nan, now commander of the Taiwan Garrison Command, is expected to be appointed strategic advisor to the Presidential Office. Chou, 62, began to serve his current post on 5 December 1989. His tenure was extended for one year when his two-year term of office expired at the end of last year.

The Presidential Office, however, has refused to confirm the replacement of the commander of the Military Police Force and the chief aide-de-camp of the Presidential Office. It

stressed that all military reshuffles will be submitted by military authorities to the president for approval.

Defense Ministry Establishes Coast Guard Command

*OW0108091292 Taipei CNA in English
0745 GMT 1 Aug 92*

[Text] Taipei, Aug. 1 (CNA): The Defense Ministry formed the Coast Guard Command today to take over the duties of the Taiwan Garrison Command which was disbanded Friday.

The ministry's spokesman said that during peace time, the new command will help crack down on smuggling and illegal immigration, and prevent infiltrations. During war time, it will support the armed forces.

President Li Teng-hui has appointed Lieutenant General Wang Juo-yu, former commander-in-chief of the military police, to head the Coast Guard Command.

Wang, 60, a graduate from the 1953 class of the Army Academy, has served in many military posts.

Hong Kong

Article Views Legco Composition After 1995

HK0308151192 Beijing ZHONGGUO XINWEN SHE
in Chinese 0639 GMT 3 Aug 92

[Text] Hong Kong, 3 Aug (ZHONGGUO XINWEN SHE)—An article in the August edition of Hong Kong's TZU CHING [BAUHINIA] says that the issue of 1995 Legislative Council [Legco] elections affects a smooth transition in 1997 and determines whether or not there will be a "through train" and whether or not, if there is one, it will run smoothly. Therefore, whatever method and system are adopted for the 1995 elections, there must be consultations between China and Britain and they must be based on a consensus achieved thereof. Legco can discuss the issue but has no power of decision. Similarly Britain and the Hong Kong Governor cannot unilaterally arrive at any decision on this issue.

The article entitled "A Word on the 1995 Legco Elections Issue," says that the 1995 Legco will be the last council under British rule. At the same time this group of Legco members will have the opportunity to ride on the "through-train" to "1997" and to become members of the Hong Kong Special Administrative Region's [SAR] first legislative assembly. This is based on consultations between China and Britain and was agreed by the Chinese Government and passed by the National People's Congress [NPC].

The article points out: The "through-train" is not a free ride. Judging from the relevant provisions, there are at least three conditions: one, the composition of 1995's Legco must accord with relevant NPC resolutions and relevant provisions of the Basic Law; two, members of 1995's Legco must support the Basic Law, be willing to pledge loyalty to the PRC SAR and meet the conditions laid down by the Basic Law; and three, Legco must be affirmed by the SAR Preparatory Committee. Among these three conditions, the most important one as far as the "through train" is concerned, is the composition of Legco in 1995, which must correspond with the relevant NPC resolutions and the relevant provisions of the Basic Law.

The article holds that Legco can discuss the 1995 Legco elections issue. Whether it is a "multiseat, single vote" or "single seat, single vote" proposal, they can all be subject to debate. But Legco does not have decision-making power.

The article says that if anyone wants to exploit Legco's July debate in an attempt to "overawe his opponents with an early show of strength" and gain some bargaining chips in negotiations with China, he would be pursuing a very clumsy political approach. In fact, anyone with a clear head can see the tricks in this Legco debate and its voting. It is advisable that these sort of tricks should not be repeated in future.

The article also says that, apart from the election model, the kind of person elected is also a key issue. One aspect in the choice of persons to govern Hong Kong has to do with the kind of person elected to Legco and who will sit in the future legislative assembly. In this regard, personal talent is of course an important consideration, but first and foremost he must be patriotic, love Hong Kong, and have a sense of responsibility to society.

The article points out that being patriotic means loving one's own country—China; favoring the unification of the country, devoting efforts to Hong Kong's stability and prosperity and national stability, wealth and strength; and supporting one country, two systems. Undoubtedly, for the great majority of Hong Kong people this is not a problem at all. However, it is true that there are a certain number of people in Hong Kong whose actions show that they have been stubbornly opposing and resisting China to the extent that they have repeatedly infringed upon the interests of the people, even though they have claimed that they are patriotic (some do not even say this). Hong Kong will return to the embrace of the motherland and a hundred years of humiliation for Chinese will be erased. What a great heartening event this will be! But these people are doing everything they can to reverse this historical trend and, actively coordinate and desperately lobby foreign forces to intervene in Hong Kong in an attempt to internationalize the problem of Hong Kong; they have betrayed national sovereignty and damaged one country, two systems. When some international hegemonic forces unjustifiably applied sanctions and made things difficult for China, they closely followed their actions and added fuel to the flames...These actions obviously run counter those of a patriot.

The article says that loving Hong Kong means basing everything on Hong Kong people's interests, drawing close the good relationship between Hong Kong and the interior, and maintaining Hong Kong's stability and prosperity. It is precisely the people mentioned above who are fishing for fame and compliments and would sacrifice Hong Kong people's overall and fundamental interests for their own selfish interests. For instance, they openly support the unreasonable airport financial arrangements and have called for not leaving a penny of reserves for the SAR. On the issue of most-favored-nation status, which has a tremendous bearing on Hong Kong's economy and livelihood, they have adopted a defiant stand against public opinion and followed the lead of some people in the United States in putting pressure on "human rights," as if they were happy to see the abolition of most-favored-nation status, and so on. May we ask what kind of a sense of responsibility these people have for Hong Kong and the people's livelihood?

'Unnecessary Changes' Discussed

HK0308004492 Hong Kong SOUTH CHINA
MORNING POST in English 3 Aug 92 p 5

[Text] China yesterday called on the Governor, Mr Chris Patten, to focus on the territory's smooth transition into 1997 instead of making unnecessary changes to the system.

A signed commentary in the pro-Beijing publication *Bauhinia* said people were looking forward to a good policy speech from the territory's last Governor, whom they hoped would protect Hong Kong's interest.

"The public are happy to hear Mr Patten's pledge during his swearing-in that 'good co-operation with China is my sincere aim' and 'to build up trust'," it said.

"Therefore, it is reasonable for them to expect the British Hong Kong Government to contribute to the territory's smooth transition."

It said the "British Hong Kong Government" should maintain an executive-led administration and ignore any "illegitimate" call to change the Basic Law.

Neither should it bring "opponents of the Chinese Government" into the Executive Council, said the commentary.

There should also be a minimal change to the territory's existing system and institutions to avoid any unnecessary shock, it said, reiterating that Britain should discuss with Beijing anything that may affect the transition.

Noting that China has always put Hong Kong's interest at heart in signing both the Sino-British Joint Declaration and airport agreement, it said Britain should be responsible for the present impasse over the airport project.

It reiterated that the proposed airport financial plan has contravened the principles laid down in the agreement.

Legislators Discuss Article

HK0408042092 Hong Kong SOUTH CHINA
MORNING POST in English 4 Aug 92 p 1

[By Shirley Yam]

[Text] Hong Kong's legislators yesterday criticised China for again interfering in the territory's internal affairs, this time by saying the British Government and the Governor did not have the right to decide unilaterally how the 1995 elections will be conducted.

Both the United Democrats of Hong Kong (UDHK) and the Co-operative Resources Centre (CRC) said the Governor, Mr Chris Patten, should have the ultimate say on the arrangements.

Their remarks were provoked by the latest issue of Beijing's mouthpiece in Hong Kong, the magazine *Bauhinia*, which stressed that the territory's smooth transition through 1997 would be affected by the way the 1995 Legislative Council [Legco] elections were conducted.

The article said the arrangements would, to a certain extent, determine whether the so-called "through train" concept, under which legislators chosen in 1995 could remain in the 1997 legislature, could be achieved.

"Therefore, no matter what sort of system the 1995 election is to adopt, it must go through the Sino-British discussion process in order to reach a consensus," it said.

"The Legco can discuss it, but they have no decision-making power on this.

"Similarly, both the British Government and the Governor cannot make a decision on this unilaterally."

Without naming anyone, the article said someone was playing political tricks within the Legislative Council to increase their bargaining chips with China later.

It denounced the Legco's earlier debate on electoral arrangements in which councillors rejected the conservative "multi-seat, single-vote" electoral model in favour of the "single-seat, single-vote" system.

It said this was as an attempt to create an atmosphere to pressure China into accepting a certain arrangement.

"Such a political tactic is very stupid," it said.

"Anyone with a clear mind will know both the debate and the voting result are the product of some trickery.

"It's better that they stop this."

The magazine said no matter what the Legislative Council decided in a debate, it had no decision-making power.

It also hinted that leaders of the United Democrats would not be able to sit on the 1997 legislature, noting that a prerequisite for anyone to get on the "through train" was that he must "love China and Hong Kong and has a sense of responsibility to the society."

Again without specifying anyone, the article said some people had "betrayed the country's sovereignty" by lobbying foreign powers to meddle in the territory and supporting unreasonable sanctions against China.

Those people also openly supported the "unreasonable" airport financial package at the expense of the territory's interest, it said.

The UDHK has backed the airport financial plan and called on China to improve its human rights conditions to ensure long-term extension of its Most Favoured Nation trading status with the United States.

Rejecting the allegation, UDHK vice-chairman Mr Yeung Sum said it appeared the Chinese Government was again trying to meddle in the territory's internal affairs.

He warned that any move to force elected legislators to leave the 1997 legislature would cause electors to lose confidence and interest in the elections.

CRC convenor Mr Allen Lee Peng-fei said the Governor should have the final say on whether to heed China's views in formulating the electoral arrangements.

He said Britain should be responsible for the running of Hong Kong before 1997 under the Sino-British Joint Declaration.

Sharing their views, independent legislator Mr Samuel Wong Ping-wai denied he had been lobbied by the Government to vote against the conservative model.

"If there are any tricks, it is from the Chinese side," he said. "I have been lobbied by China officials and businessmen to vote otherwise."

Executive and Legislative councillor Mr Andrew Wong Wang-fat denounced the article as "rubbish" and said it showed China had little understanding of Hong Kong's constitutional system.

"Even if China dictates the electoral arrangement, it will still be unenforceable if it is not adopted by the Legco and put into law."

Miss Emily Lau Wai-hing said the comments once again showed the promise of a "high degree of autonomy" in both the Joint Declaration and Basic Law were lies.

She hoped Mr Patten could stand by the joint accord and have the ultimate say on the electoral arrangements, although she agreed China should be consulted.

Three legislators, Mr Chim Pui-chung, Mr Martin Barrow and Mr Stephen Cheong Kam-chuen, expressed reservations about any unilateral decision by Britain on the electoral arrangements.

Mr Chim said: "Of course, we can make our own decision, which means the whole system will be removed by 1997. Everyone, including those qualified for the 1997 legislature, will not be able to sit on the through train."

"Discussion is always better than confrontation," said Mr Cheong.

NPC Vice Chairman Peng Chong To Visit

HK0408082992 Hong Kong MING PAO in Chinese
4 Aug 92 p 2

["Special report" by staff reporter Li Hui-ling (2621 1979 3781): "NPC Standing Committee Vice Chairman Peng Chong Is to Visit Hong Kong Next Week to Stay in the Territory for Three Days to Meet With Hong Kong NPC Deputies"]

[Text] Peng Chong, vice chairman and secretary general of the Standing Committee of the National People's Congress [NPC], will visit Hong Kong next week. However, his itinerary has not been completely decided yet. The only definite activity will be a meeting with local deputies to the NPC. This will be Peng Chong's first visit to Hong Kong since the beginning of reform and opening.

Through long-distance telephone call, a responsible official of the General Office for the NPC Standing Committee told this reporter that Peng Chong went to visit Fiji in late July and will stop over several days in Hong Kong before returning to Beijing. Peng Chong will arrive in Hong Kong on 10 August, and will leave on 13 August.

The responsible official of the NPC Standing Committee's General Office said that Peng's activities in Hong Kong will all be arranged by the responsible people of the XINHUA Hong Kong Branch.

A responsible official of the XINHUA Hong Kong Branch said that they had received notice about Peng Chong's visit, but the itinerary of Peng's visit had not been completely decided. However, Cheng Yiu-tong, a deputy to the NPC from the Hong Kong and Macao area, told MING PAO that he and other local deputies to the NPC had received invitations to meet Peng Chong and have dinner with him in XINHUA's Stanley villa.

Peng Chong was born in Zhangzhou of Fujian 77 years ago. He joined the Communist Youth League of China in 1933 and the CPC in 1934. He was elected vice chairman and secretary general of the NPC Standing Committee in 1988. He was elected an alternate member of the CPC Central Committee at the 9th and 10th party congresses and full member of the CPC Central Committee at the 12th and 13th party congresses. He was also deputy to the 2d, 3d, and 4th NPC.

Peng Chong's wife Luo Pingyuan used to work with the women's federation, and has retired for the reason of health. Apart from taking care of housekeeping work, she was also interested in gardening and won awards in a national flower arranging contest. They have four sons.

Governor's Proposed Beijing Visit Viewed

HK0408052592 Hong Kong SOUTH CHINA
MORNING POST in English 4 Aug 92 p 4

[By Doreen Cheung]

[Text] It was not necessary for the Governor, Mr Chris Patten, to visit Beijing in order to solve the impasse over the financing of the new airport projects. New China News Agency vice-director, Mr Wang Pinqing, said yesterday.

His comments come amid speculation that China wanted Mr Patten to go to Beijing personally to sort out problems relating to the airport plan and political issues, such as the 1995 electoral arrangements.

Mr Wang said: "It may not be necessary for the Governor to visit Beijing to solve the (airport) problem.

"As long as both the Chinese and British sides are ready to discuss, the problem can be solved at any level."

The Director of the Chinese State Council's Hong Kong and Macao Affairs Office, Mr Lu Ping, had earlier extended an invitation to Mr Patten to visit the Chinese capital.

Mr Wang's remarks came on the eve of a dinner between Mr Patten and the Chinese Ambassador to Britain, Mr Ma Yuzhen, during which the airport was expected to be discussed.

Asked if he expected the meeting to settle any differences, Mr Wang said: "It will depend on what sort of policies the British side use."

The local pro-Beijing press yesterday hit back at allegations by the Hong Kong Government that Beijing was responsible for any cost to the territory caused by the delay of the Chek Lap Kok airport projects.

An editorial in the Beijing mouthpiece Wen Wei Pao criticised the Government for using tactics in the airport

talks by refusing to go ahead with the reclamation work of the Chek Lap Kok airport before a Chinese approval of the whole financial package.

The editorial said the Government was trying to put pressure on the Chinese side to accept the financial plan.

The editorial recalled Chief Secretary Sir David Ford's remarks earlier that they would not start the reclamation before China's full agreement to the financial package in order to protect the interests of the territory.

It said the Government was delaying cost-effective projects in order to press ahead with ones that were not cost-effective.

Meanwhile, the Chinese side of the Airport Committee under the Sino-British Joint Liaison Group said yesterday it was up to the British side to call the next meeting.

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